
Charter Communications (CHTR, \$10, Equal-weight, Industry View: Attractive, Target \$22)

Please see our February 21, 2002, report "Charter Communications, 4Q01 Results and 2002 Guidance," for a more detailed analysis.

Please see Exhibit 111, "Broadband Drivers" for an illustration of our key assumptions.

Summary and Investment Conclusion

We are reiterating our Equal-weight rating and \$22 12-month price target on Charter. We view the US cable industry as Attractive, and believe that Charter and the industry will outperform the broader market over the next 12-18 months.

There are three critical variables we are monitoring with respect to Charter's operating results in the first half of 2002. These variables have affected the last several quarters to some extent, and we believe that if successfully addressed by the company, this would give us greater confidence in our 2002 and 2003 forecast. These are the same variables we have been writing about in our last two Charter reports.

Analog and digital subscriber and ARPU growth. In 1Q02, Charter will disconnect 120,000 basic subscribers, about half of which are also digital subscribers. This will not affect revenue, because revenue from these subscribers had been reserved in bad debt expense (part of the 4Q01 G&A expense). Our concern is whether Charter's normalized basic and digital growth will be significantly lower than our expectations without the aggressive discounting seen in the second half of 2001.

We do not believe that digital growth will disappoint in 2002 for Charter. We believe 1Q02 will be weak, at approximately 65,000-70,000 net additions. However, we expect Charter to average 14,500 per week for the remainder of the year and end 2002 with 2.8 million subscribers.

With respect to basic subscriber growth, we expect 0.5% growth in 2002, with basic ARPU growth of 5.5-6.0%. Should Charter see a higher level of downgrades from basic to lifeline (\$9-15 ARPU), then the basic subscriber growth may be more than 0.5%, but basic ARPU growth would be less than our expected level. This kind of downgrade usually occurs from subscribers taking digital satellite service.

Critical to Charter defending its subscribers is a strong cable modem rollout, we believe. As we have seen at Cox, bundling services is an effective method of reducing churn.

Programming costs: We continue to expect more than 20% absolute growth in combined digital and analog programming costs in 2002. This consists of an 11% nominal increase in existing networks, 4-5% growth from analog channel expansion, and the remainder from digital additions.

The risk remains that Charter's sector-high programming costs could pressure margins in 2003. We believe these costs will decline toward 11-15% over time, as the company stops expanding channel capacity in upgraded markets and slows down its digital subscriber growth.

High-speed data margins. We expect that Charter will increase its margins on cable modem service from 35% in 2001 to 40-45% in 2002. This is based on increased scale as the company adds approximately 600,000 cable modem subscribers in 2002. We believe that Charter (and most of its US cable peers) will generate 75-80% gross margin (after backbone connectivity costs) in 2002. We also believe that the company will increase its data ARPU through 2002, as it raised rates on its installed base by \$3 per month in October 2001. We expect full-year ARPU to increase from \$31 in 2001 to \$33-34 in 2002.

However, 600,000 additions represent almost a 60% increase from 2001. Granted, Charter is adding 2.5 million homes to its data footprint. However, there will be operating expenses associated with deploying data in new systems. In addition, ramping data has proven to be a potentially margin compressing experience for many cable operators that are now beyond that stage in network expansion.

In summary, we believe that Charter can continue expanding overall margins on the data product in 2002. However, given the history of ramping high-speed data in the cable industry, we view the deployment as a near-term risk to margins.

Changes to Our Forecast

In our February 21, 2002, report, we raised our cable modem addition expectation from 480,000 to 600,000, and lowered our basic subscriber growth estimate from 1.0% to 0.5%. Our data estimate is at the high end of the company guidance of 550,000-600,000. We reiterated our digital forecast of 630,000 despite the 1Q01 shortfall. We believe the company will make up the difference in the latter half of the year.

Helping to drive digital growth will be the continued deployment of VOD. The company ended 2001 with 2 million homes enabled to VOD. With 18% of its total footprint subscribing to digital, this is approximately 350,000 VOD-enabled digital subscribers. We believe that Charter will end 2002 with another 2 million homes added to its VOD footprint, ending the year with 35% of its footprint with VOD service.

We Expect 2002 Revenue and EBITDA Growth to Be Back-End Loaded

There are several reasons why Charter's 2002 growth will be back end loaded. We believe that EBITDA growth will ramp from 8-9% in 1Q02 towards 17-18% in 4Q02.

Margins will be compressed in 1Q02 as a result of the annual programming cost increases that occur. These programming increases are somewhat offset by basic rate increases; however, the rate increases are spread throughout the year and the full impact is not felt until 3Q02. The other

primary reason for the well above trendline growth is that high-speed data growth should accelerate through the quarters of 2002. The start-up costs impact 1Q02, while the ARPU and rate of additions are highest in 4Q02 (implying improved fixed cost leverage).

We are reiterating our full-year pro forma revenue and EBITDA growth projections for 2002 of 14-14.5% and 13.5-14.0%, respectively.

Capital Spending and Financing to Free Cash Flow

We expect Charter to spend \$2.5 billion in capital expenditures in 2002, with approximately \$1.2-1.3 billion from rebuild and upgrade activity. The company ended 2001 with approximately \$3.3 billion in total credit availability. Based on our capital spending and EBITDA growth expectations, which include capital and start-up losses related to a residential telephony deployment in 2003, the company is fully funded through free cash flow with an excess of almost \$900 million.

This includes maturing public debt repayments, which we assume are redeemed using the bank lines. Charter has convertible debt of \$750 million, which matures in 2005, and another \$630 million convertible senior note due 2006. We believe both of these notes will convert prior to maturity. Charter has no high-yield debt expiring until 2007.

Exhibit 111

Charter Communications
Broadband Cable Drivers

Dollars In Millions

| | Pro Forma | | | | | | | | | | |
|----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2000 | 2001 | 2002E | 1Q01 | 2Q01 | 3Q01 | 4Q01 | 1Q02E | 2Q02E | 3Q02E | 4Q02E |
| Broadband Subscribers | | | | | | | | | | | |
| Basic | 6,953,700 | 6,953,700 | 6,988,469 | 6,349,800 | 6,388,300 | 6,970,100 | 6,953,700 | 6,829,073 | 6,890,429 | 7,004,951 | 6,988,469 |
| Pro Forma Basic Growth % | | 0.0% | 0.5% | 2.0% | 2.1% | 1.1% | 0.0% | -1.2% | -0.9% | 0.5% | 0.5% |
| Basic ARPL | \$31.07 | \$32.13 | \$34.00 | \$30.79 | \$31.50 | \$31.48 | \$31.80 | \$31.96 | \$33.72 | \$34.80 | \$35.50 |
| Prog. Exp as % of Analog Revs | 24.3% | 25.6% | 27.0% | 26.1% | 25.2% | 25.5% | 24.9% | 28.7% | 27.4% | 26.4% | 25.7% |
| Per Sub Prog. Exp Growth % | 4.3% | 10.3% | 12.7% | 16.3% | 13.3% | 18.0% | 6.1% | 23.9% | 26.8% | 29.7% | 18.1% |
| Digital Video Subscribers | | | | | | | | | | | |
| Basic | 1,177,500 | 2,144,800 | 2,780,401 | 1,343,700 | 1,585,000 | 1,951,200 | 2,144,800 | 2,213,850 | 2,365,000 | 2,570,550 | 2,780,401 |
| Weekly Additions | 17,579 | 18,602 | 12,223 | 21,092 | 18,562 | 28,169 | 14,892 | 5,250 | 11,750 | 15,750 | 16,142 |
| ARPL | \$14.67 | \$12.13 | \$12.87 | \$8.00 | \$11.96 | \$12.27 | \$13.01 | \$12.61 | \$12.92 | \$12.95 | \$12.94 |
| Basic Sub Penetration | 16.9% | 30.8% | 39.8% | 21.2% | 24.8% | 28.0% | 30.8% | 32.4% | 34.3% | 36.7% | 39.8% |
| Dig. Programming Expense % | 37.7% | 21.7% | 21.7% | 19.7% | 19.1% | 21.6% | 24.9% | 21.8% | 21.7% | 21.7% | 21.7% |
| Cable Modem Subscribers | | | | | | | | | | | |
| Basic | 229,000 | 607,700 | 1,200,776 | 305,000 | 385,600 | 607,700 | 607,700 | 714,950 | 857,950 | 1,030,450 | 1,200,776 |
| Weekly Additions | 2,890 | 7,283 | 11,405 | 6,854 | 6,200 | 9,392 | 7,692 | 8,250 | 11,000 | 12,500 | 13,871 |
| ARPL | \$44.15 | \$31.60 | \$34.69 | \$57.27 | \$46.33 | \$36.94 | \$36.92 | \$32.94 | \$34.03 | \$34.99 | \$35.94 |
| Basic Sub Penetration | 3.3% | 8.7% | 17.2% | 4.8% | 6.0% | 7.3% | 8.7% | 10.5% | 12.5% | 14.6% | 17.2% |
| Affiliate Fee as % of Revenue | 22.9% | 21.8% | 21.9% | 15.3% | 18.9% | 22.2% | 19.5% | 21.9% | 21.8% | 21.9% | 21.9% |
| Broadband Fixed Costs (1) | | | | | | | | | | | |
| Fixed Costs (% Change) | \$1,073.2 | \$1,242.5 | \$1,379.8 | \$261.7 | \$271.3 | \$314.4 | \$330.1 | \$0.0 | \$316.0 | \$324.2 | \$358.0 |
| | 21.3% | 15.8% | 11.1% | 13.2% | 14.3% | 23.4% | 35.0% | -100.0% | 16.5% | 3.1% | 8.7% |
| Total Capex | \$2,977.4 | \$3,032.8 | \$2,481.0 | \$524.5 | \$837.7 | \$794.4 | \$870.5 | \$495.1 | \$742.6 | \$742.6 | \$495.1 |

E= Morgan Stanley Research Estimates

Broadband Cable Television – April 5, 2002

Please see the important disclosures at the end of this report.

Exhibit 112

**Charter Communications
Estimated 2002 Fair Market Value***(\$ Millions Except Per Share Data)*

| Asset Description | Cable Operations | Other | Total Charter Communications |
|---|---------------------|------------------|---------------------------------|
| Core Cable Television Operations | \$32,080.2 | | \$32,080.2 |
| Telephony | 1,652.3 | | 1,652.3 |
| Vulcan Tax Agreement | 451.6 | | 451.6 |
| High Speed Access Warrants (7.75mm @ \$3.23 Ex. Price) | | 0.0 | 0.0 |
| Worldgate Convertible Preferred (108,920 underlying shares) | | 0.2 | 0.2 |
| Corporate Overhead | | (738.3) | (738.3) |
| Total Estimated Asset Value | \$34,184.2 | (\$738.1) | \$33,446.0 |
| <i>Less:</i> | | | |
| Debt | 18,492.4 | | 18,492.4 |
| Convertible Debt | (1,382.5) | | (1,382.5) |
| Net Debt | 17,109.9 | | 17,109.9 |
| Preferred Stock | 0.0 | | 0.0 |
| Minority Interest | 0.0 | | 0.0 |
| <i>Plus:</i> | | | |
| Cash | 1.7 | | 1.7 |
| Cash from Stock Options | 931.2 | | 931.2 |
| Total Fair Market Value | \$18,007.0 | (\$738.1) | \$17,268.9 |
| Class A Shares Outstanding | 294.537 | 294.537 | 294.537 |
| Class B Shares Outstanding | 0.050 | 0.050 | 0.050 |
| Class A Shares Out. Underlying Membership Units | 26.320 | 26.320 | 26.320 |
| Class B Shares Out. Underlying Membership Units | 339.132 | 339.132 | 339.132 |
| Convertible Debt | 58.882 | 58.882 | 58.882 |
| Stock Options | 46.558 | 46.558 | 46.558 |
| Total Charter Comm. Shares Outstanding | 765.479 | 765.479 | 765.479 |
| Total Fair Market Value Per Share | \$23.52 | (\$0.96) | \$22.56 |
| <i>Supplemental Valuation Data</i> | | | |
| Estimated Asset Value | \$33,732.5 | | \$33,446.0 |
| 2002E Cable/Telephony EBITDA | 2,152.1 | (70.0) | 2,082.1 |
| Est. Asset Value / Est. EBITDA | 15.7x | | 16.1x |
| 2003E Cable/Telephony EBITDA | 2,441.7 | (80.0) | 2,361.7 |
| Est. Asset Value / Est. EBITDA | 13.8x | | 14.2x |
| 2002E Basic Subscribers | 6,988,469 | | |
| Est. Asset Value per Basic Subscriber | \$4.827 | | |

*E= Morgan Stanley Research Estimates**Broadband Cable Television – April 5, 2002***Please see the important disclosures at the end of this report.**

Exhibit 113

**Charter Communications
Debt Capitalization**

(\$ Million)

| | 2000 | 2001 | 2002E | 2003E | 2004F | 2005E | 2006E |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Bank Debt | | | | | | | |
| Charter Operating (Revolver) | 4,432.0 | 4,145.0 | 5,069.6 | 5,390.3 | 5,615.4 | 6,364.2 | 7,014.0 |
| CC Michigan, LLC and CC New England, LLC (Avalon) | 213.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CC VI Operating Company, LLC (Fanch) | 895.0 | 901.0 | 901.0 | 901.0 | 901.0 | 901.0 | 901.0 |
| Falcon Cable Communications, LLC | 1,050.9 | 582.0 | 582.0 | 582.0 | 582.0 | 582.0 | 582.0 |
| CC VIII Operating, LLC (Bresnan) | 712.0 | 1,082.0 | 1,082.0 | 1,082.0 | 1,082.0 | 1,082.0 | 1,082.0 |
| 8.250% Senior Notes due 2007 | 598.7 | 598.7 | 598.7 | 598.7 | 598.7 | 598.7 | 598.7 |
| 8.625% Senior Notes due 2009 | 1,496.1 | 1,496.1 | 1,496.1 | 1,496.1 | 1,496.1 | 1,496.1 | 1,496.1 |
| 9.920% Senior Discount Notes due 2011 | 1,077.2 | 1,186.7 | 1,307.3 | 1,440.3 | 1,475.0 | 1,475.0 | 1,475.0 |
| 10.000% Senior Discount Notes due 2008 (Renaissance) | 94.5 | 103.6 | 114.2 | 114.4 | 114.4 | 114.4 | 114.4 |
| 11.875% Senior Discount Notes due 2008 (Avalon) | 131.7 | 146.3 | 164.2 | 184.3 | 184.3 | 184.3 | 184.3 |
| 10.000% Senior Notes due 2009 | 675.0 | 675.0 | 675.0 | 675.0 | 675.0 | 675.0 | 675.0 |
| 10.250% Senior Notes due 2010 | 325.0 | 325.0 | 325.0 | 325.0 | 325.0 | 325.0 | 325.0 |
| 11.750% Senior Discount Notes due 2010 | 335.5 | 376.1 | 421.6 | 472.6 | 529.7 | 532.0 | 532.0 |
| 10.750% Senior Notes due 2009 | 0.0 | 900.0 | 900.0 | 900.0 | 900.0 | 900.0 | 900.0 |
| 11.125% Senior Notes due 2011 | 0.0 | 500.0 | 500.0 | 500.0 | 500.0 | 500.0 | 500.0 |
| 13.500% Senior Discount Notes due 2011 | 0.0 | 398.3 | 453.9 | 517.2 | 589.4 | 675.0 | 675.0 |
| 9.625% Senior Notes due 2009 | 0.0 | 350.0 | 350.0 | 350.0 | 350.0 | 350.0 | 350.0 |
| 10.000% Senior Notes due 2011 | 0.0 | 575.0 | 575.0 | 575.0 | 575.0 | 575.0 | 575.0 |
| 11.75% Senior Discount Notes due 2011 | 0.0 | 618.1 | 692.9 | 776.7 | 870.6 | 975.9 | 1,018.0 |
| 9.625% Senior Notes due 2009 | 0.0 | 0.0 | 350.0 | 350.0 | 350.0 | 350.0 | 350.0 |
| 10.00% Senior Notes due 2011 | 0.0 | 0.0 | 300.0 | 300.0 | 300.0 | 300.0 | 300.0 |
| 12.125% Senior Discount Notes due 2012 | 0.0 | 0.0 | 250.0 | 278.9 | 311.2 | 347.2 | 387.3 |
| Other (plug) | 273.9 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 |
| Subtotal | \$12,310.5 | \$14,960.4 | \$17,109.9 | \$17,810.9 | \$18,326.3 | \$19,304.2 | \$20,036.2 |
| Convertible Senior Notes Due 2006 | 0.0 | 632.5 | 632.5 | 632.5 | 632.5 | 632.5 | 0.0 |
| Convertible Senior Notes Due 2005 | 750.0 | 750.0 | 750.0 | 750.0 | 750.0 | 0.0 | 0.0 |
| Total Debt | \$13,060.5 | \$16,342.9 | \$18,492.4 | \$19,193.4 | \$19,708.8 | \$19,936.7 | \$20,036.2 |
| Next Fiscal Year EBITDA | \$1,786.2 | \$2,082.1 | \$2,361.7 | \$2,715.0 | \$3,106.6 | \$3,501.0 | \$4,043.0 |
| Total Debt / Forward EBITDA | 7.3x | 7.8x | 7.8x | 7.1x | 6.3x | 5.7x | 5.0x |
| Total Net Debt (excl. convertible) / Forward EBITDA | 6.9x | 7.2x | 7.3x | 6.6x | 5.9x | 5.5x | 5.0x |

E = Morgan Stanley Research Estimates

Broadband Cable Television - April 5, 2002

Please see the important disclosures at the end of this report.

Exhibit 114

**Charter Communications
Consolidated Annual Income Statement**

(S Millions Except Per Share)

| | Actual | | Pro Forma | | 2002E | 2003E | 2004E | 2005E | 2006E |
|--|-----------|-------------|-------------|-------------|-----------|-----------|-----------|-----------|-----------|
| | 2000 | 2001 | 2000 | 2001 | | | | | |
| Revenues | \$3,249.7 | \$3,953.1 | \$3,610.8 | \$4,114.8 | \$4,695.1 | \$5,379.0 | \$6,088.3 | \$6,872.9 | \$7,784.3 |
| Operating Expenses | 1,706.6 | 2,167.0 | 1,956.7 | 2,281.1 | 2,613.1 | 3,017.3 | 3,373.2 | 3,766.3 | 4,283.3 |
| EBITDA | 1,542.6 | 1,786.2 | 1,654.2 | 1,833.6 | 2,082.1 | 2,361.7 | 2,715.0 | 3,106.6 | 3,501.0 |
| EBITDA Margin | 47.5% | 45.2% | 45.8% | 44.6% | 44.3% | 43.9% | 44.6% | 45.2% | 45.0% |
| Depreciation | 1,209.7 | 1,662.5 | 1,292.2 | 1,701.6 | 1,844.7 | 1,661.8 | 1,476.8 | 1,373.3 | 1,361.6 |
| EBITA | 332.9 | 123.6 | 361.9 | 132.0 | 237.4 | 699.8 | 1,238.2 | 1,733.3 | 2,139.5 |
| Amortization | 1,263.4 | 1,347.5 | 1,497.4 | 1,497.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBIT | (930.5) | (1,223.9) | (1,135.5) | (1,365.4) | 237.4 | 699.8 | 1,238.2 | 1,733.3 | 2,139.5 |
| Cash Interest Expense | 910.5 | 1,049.7 | 934.9 | 1,049.7 | 1,460.3 | 1,347.8 | 1,437.7 | 1,544.5 | 1,715.4 |
| Non-cash Interest Expense | 157.1 | 264.7 | 157.1 | 264.7 | 325.0 | 322.4 | 290.3 | 229.1 | 82.3 |
| Operating Profit after Interest | (1,998.1) | (2,538.3) | (2,227.6) | (2,679.8) | (1,547.9) | (970.3) | (489.8) | (40.4) | 341.8 |
| Interest Income and Other | (56.8) | (117.6) | (56.8) | (117.6) | (72.6) | (72.6) | (72.6) | (72.6) | (72.6) |
| Pretax Profit Before Equity Interest | (2,054.9) | (2,655.9) | (2,284.4) | (2,797.4) | (1,620.5) | (1,043.0) | (562.4) | (113.0) | 269.1 |
| Income (Loss) from Equity Interests | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Minority Interest | (1,226.3) | (1,478.2) | (1,250.3) | (1,678.4) | (972.3) | (625.8) | (337.4) | (67.8) | 161.5 |
| Income/(Loss) Before Taxes | (828.7) | (1,177.7) | (1,034.1) | (1,119.0) | (648.2) | (417.2) | (225.0) | (45.2) | 107.7 |
| Deferred Taxes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current Taxes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Income (Loss) Before Extra. Items | (\$828.7) | (\$1,177.7) | (\$1,034.1) | (\$1,119.0) | (\$648.2) | (\$417.2) | (\$225.0) | (\$45.2) | \$107.7 |
| Extraordinary Items (After Taxes) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Income/(Loss) | (\$828.7) | (\$1,177.7) | (\$1,034.1) | (\$1,119.0) | (\$648.2) | (\$417.2) | (\$225.0) | (\$45.2) | \$107.7 |
| Average Basic Shares Outstanding | 225.7 | 269.6 | 269.6 | 269.6 | 269.6 | 269.6 | 269.6 | 269.6 | 269.6 |
| Reported Basic EPS | (\$3.67) | (\$4.37) | (\$3.84) | (\$4.15) | (\$2.40) | (\$1.55) | (\$0.83) | (\$0.17) | \$0.40 |
| Average Fully Diluted Shares Outstanding | 631.9 | 718.9 | 718.9 | 718.9 | 718.9 | 718.9 | 718.9 | 718.9 | 718.9 |
| Reported Fully Diluted EPS | (\$3.25) | (\$3.70) | (\$3.18) | (\$3.89) | (\$2.26) | (\$1.45) | (\$0.79) | (\$0.16) | \$0.37 |
| Less: Extraordinary and Nonrecurring Items per Share | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Adjusted Fully Diluted EPS | (\$3.25) | (\$3.70) | (\$3.18) | (\$3.89) | (\$2.26) | (\$1.45) | (\$0.79) | (\$0.16) | \$0.37 |
| Plus: Amortization per Share | \$2.00 | \$1.87 | \$2.08 | \$2.08 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Less: Equity Income / Losses from Affiliates | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Adjusted Fully Diluted Revised GAAP EPS | (\$1.25) | (\$1.82) | (\$1.09) | (\$1.81) | (\$2.26) | (\$1.45) | (\$0.79) | (\$0.16) | \$0.37 |

E= Morgan Stanley Research Estimates

Broadband Cable Television – April 5, 2002

Please see the important disclosures at the end of this report.

Exhibit 115

**Charter Communications
Revenue and Operating Cash Flow Comparison, Quarterly**

(\$ Millions)

| | 2001 As Reported | | | | 2002E As Reported | | | |
|--|------------------|----------------|------------------|------------------|-------------------|------------------|------------------|------------------|
| | 1Q | 2Q | 3Q | 4Q | 1QE | 2QE | 3QE | 4QE |
| Cable/Telephony Revenue | | | | | | | | |
| Analog | \$805.3 | \$841.7 | \$930.9 | \$977.3 | \$908.5 | \$959.1 | \$1,017.5 | \$1,073.4 |
| Digital Cable | 43.3 | 53.9 | 69.0 | 77.3 | 82.5 | 88.8 | 95.9 | 103.9 |
| High Speed Data | 25.2 | 32.9 | 43.9 | 52.5 | 65.3 | 80.3 | 98.6 | 119.7 |
| Total Cable Television Revenue | \$873.8 | \$928.5 | \$1,043.8 | \$1,107.0 | \$1,056.3 | \$1,128.1 | \$1,212.0 | \$1,297.0 |
| Telephony (Res. Tel) | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 | 0.4 | 0.4 | 0.5 |
| Total Cable/Telephony Revenue | \$873.8 | \$928.5 | \$1,043.8 | \$1,107.0 | \$1,056.7 | \$1,128.5 | \$1,212.4 | \$1,297.5 |
| % Change | 14.4% | 16.1% | 23.9% | 23.9% | 20.9% | 21.5% | 16.2% | 17.2% |
| Cable/Telephony Gross Profit | | | | | | | | |
| Analog | \$595.0 | \$629.9 | \$693.6 | \$734.0 | \$648.0 | \$696.7 | \$748.8 | \$797.2 |
| Digital Cable | 34.8 | 43.6 | 54.1 | 58.1 | 64.5 | 69.5 | 75.1 | 81.4 |
| High Speed Data | 19.9 | 25.9 | 34.3 | 40.7 | 51.1 | 62.8 | 77.0 | 93.5 |
| Total Cable Television Gross Profit | \$649.6 | \$699.3 | \$781.9 | \$832.8 | \$763.5 | \$829.0 | \$900.9 | \$972.0 |
| Telephony (Res. Tel) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Total Cable/Telephony Gross Profit | \$649.6 | \$699.3 | \$781.9 | \$832.8 | \$763.5 | \$829.0 | \$900.9 | \$972.3 |
| Gross Profit Margin | 74.3% | 75.3% | 74.9% | 75.2% | 72.3% | 73.5% | 74.3% | 74.9% |
| Cable/Telephony EBITDA | | | | | | | | |
| Core Cable Television EBITDA | 401.7 | 442.0 | 482.6 | 516.8 | 465.0 | 522.3 | 559.5 | 608.8 |
| Video/Data Startup Losses | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Telephony EBITDA | 0.0 | 0.0 | 0.0 | 0.0 | (0.7) | (0.9) | (0.9) | (1.1) |
| Total Cable/Telephony EBITDA | \$401.7 | \$442.0 | \$482.6 | \$516.8 | \$464.3 | \$521.4 | \$558.6 | \$607.8 |
| % Change | 9.5% | 13.2% | 16.4% | 15.7% | 15.6% | 18.0% | 15.8% | 17.6% |
| Cable/Telephony EBITDA | | | | | | | | |
| Total Cable Margins excl. Telephony | 46.0% | 47.6% | 46.2% | 46.7% | 44.0% | 46.3% | 46.2% | 46.9% |
| Telephony Margins | NM | NM | NM | NM | NM | NM | NM | NM |
| Total Cable/Telephony Margins | 46.0% | 47.6% | 46.2% | 46.7% | 43.9% | 46.2% | 46.1% | 46.8% |
| Corporate | | | | | | | | |
| Revenues | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Operating Cash Flow | (13.7) | (14.0) | (15.0) | (14.2) | (17.5) | (17.5) | (17.5) | (17.5) |
| Operating Cash Flow Margin | NM | NM | NM | NM | NM | NM | NM | NM |
| Total Revenue | \$873.8 | \$928.5 | \$1,043.8 | \$1,107.0 | \$1,056.7 | \$1,128.5 | \$1,212.4 | \$1,297.5 |
| Growth % | 14.4% | 16.1% | 23.9% | 23.9% | 20.9% | 21.5% | 16.2% | 17.2% |
| Total EBITDA | 387.9 | 428.1 | 467.5 | 502.6 | 446.8 | 503.9 | 541.1 | 590.3 |
| Growth % | 9.7% | 14.1% | 16.8% | 16.1% | 15.2% | 17.7% | 15.7% | 17.4% |
| Total Cash Flow Margin | 44.4% | 46.1% | 44.8% | 45.4% | 42.3% | 44.7% | 44.6% | 45.5% |

E= Morgan Stanley Research Estimates

Broadband Cable Television – April 5, 2002

Please see the important disclosures at the end of this report.

Exhibit 116

Charter Communications

Revenue and Operating Cash Flow Comparison, 2000-2006E

(\$ Millions)

| | 2000 | 2001 | Pro Forma (1) | | 2002E | 2003E | 2004E | 2005E | 2006E |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | | 2000 | 2001 | | | | | |
| Cable/Telephony Revenue | | | | | | | | | |
| Analog | \$3,110.6 | \$3,555.2 | \$3,460.6 | \$3,714.3 | \$3,958.5 | \$4,269.3 | \$4,574.7 | \$4,891.6 | \$5,234.0 |
| Digital Cable | 73.7 | 243.5 | 82.1 | 241.9 | 371.0 | 477.0 | 577.7 | 677.1 | 785.8 |
| High Speed Data | 65.0 | 154.4 | 68.2 | 158.7 | 364.0 | 619.7 | 873.0 | 1,142.8 | 1,432.4 |
| Total Cable Television Revenue | \$3,249.2 | \$3,953.1 | \$3,610.8 | \$4,114.8 | \$4,693.5 | \$5,366.0 | \$6,025.3 | \$6,711.4 | \$7,452.2 |
| Telephony (Res. Tel) | 0.0 | 0.0 | 0.0 | 0.0 | 1.7 | 13.0 | 63.0 | 161.5 | 332.1 |
| Total Cable/Telephony Revenue | \$3,249.2 | \$3,953.1 | \$3,610.8 | \$4,114.8 | \$4,695.1 | \$5,379.0 | \$6,088.3 | \$6,872.9 | \$7,784.3 |
| % Change | 11.4% | 9.5% | NM | 14.0% | 14.1% | 14.6% | 13.2% | 12.9% | 13.3% |
| Cable/Telephony Gross Profit | | | | | | | | | |
| Analog | \$2,378.9 | \$2,652.4 | \$2,623.7 | \$2,762.8 | \$2,890.7 | \$3,076.5 | \$3,277.5 | \$3,482.3 | \$3,701.8 |
| Digital Cable | 66.5 | 190.5 | 51.1 | 189.3 | 290.5 | 362.9 | 427.9 | 488.0 | 550.7 |
| High Speed Data | 52.5 | 120.7 | 52.5 | 124.1 | 284.4 | 482.9 | 679.9 | 889.4 | 1,114.4 |
| Total Cable Television Gross Profit | \$2,497.9 | \$2,963.7 | \$2,727.4 | \$3,076.1 | \$3,465.5 | \$3,922.3 | \$4,385.3 | \$4,859.7 | \$5,366.9 |
| Telephony (Res. Tel) | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 | 3.4 | 20.7 | 70.0 | 150.9 |
| Total Cable/Telephony Gross Profit | \$2,497.9 | \$2,963.7 | \$2,727.4 | \$3,076.1 | \$3,465.8 | \$3,925.8 | \$4,406.1 | \$4,929.7 | \$5,517.8 |
| Gross Profit Margin | 76.9% | 75.0% | 75.5% | 74.8% | 73.8% | 73.0% | 72.4% | 71.7% | 70.9% |
| Cable/Telephony EBITDA | | | | | | | | | |
| Core Cable Television EBITDA | 1,607.7 | 1,843.1 | 1,722.2 | 1,900.1 | 2,155.7 | 2,456.9 | 2,832.3 | 3,200.7 | 3,564.0 |
| Video/Data Startup Losses | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Telephony EBITDA | 0.0 | 0.0 | 0.0 | 0.0 | (3.7) | (15.2) | (27.4) | 0.3 | 36.1 |
| Total Cable/Telephony EBITDA | \$1,607.7 | \$1,843.1 | \$1,722.2 | \$1,900.1 | \$2,152.1 | \$2,441.7 | \$2,804.9 | \$3,200.9 | \$3,600.1 |
| % Change | -6.6% | 14.6% | 20.9% | 10.3% | 13.3% | 13.5% | 14.9% | 14.1% | 12.5% |
| Cable/Telephony EBITDA | | | | | | | | | |
| Total Cable Margins excl. Telephony | 49.5% | 46.6% | 47.7% | 46.2% | 45.9% | 45.8% | 47.0% | 47.7% | 47.8% |
| Telephony Margins | NM | NM | NM | NM | NM | NM | NM | 0.2% | 10.9% |
| Total Cable/Telephony Margins | 49.5% | 46.6% | 47.7% | 46.2% | 45.8% | 45.4% | 46.1% | 46.6% | 46.2% |
| Corporate | | | | | | | | | |
| Revenues | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Operating Cash Flow | (65.1) | (56.9) | (68.0) | (66.5) | (70.0) | (80.0) | (89.9) | (94.4) | (99.1) |
| Operating Cash Flow Margin | NM | NM | NM | NM | NM | NM | NM | NM | NM |
| Total Revenue | \$3,249.2 | \$3,953.1 | \$3,610.8 | \$4,114.8 | \$4,695.1 | \$5,379.0 | \$6,088.3 | \$6,872.9 | \$7,784.3 |
| Growth % | NM | 21.7% | NM | 14.0% | 14.1% | 14.6% | 13.2% | 12.9% | 13.3% |
| Total EBITDA | 1,542.6 | 1,786.2 | 1,654.2 | 1,833.6 | 2,082.1 | 2,361.7 | 2,715.0 | 3,106.6 | 3,501.0 |
| Growth % | NM | 15.8% | NM | 10.9% | 13.5% | 13.4% | 15.0% | 14.4% | 12.7% |
| Total Cash Flow Margin | 47.5% | 45.2% | 45.8% | 44.6% | 44.3% | 43.9% | 44.6% | 45.2% | 45.0% |

L+ Morgan Stanley Research Estimates

Broadband Cable Television – April 5, 2002

Please see the important disclosures at the end of this report.

Exhibit 117

**Charter Communications
Cable Television Operations, Quarterly**

(\$ Million except per data)

| | 2001 as Reported | | | | 2002E | | | |
|---|------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 1Q | 2Q | 3Q | 4Q | 1QE | 2QE | 3QE | 4QE |
| Homes Passed | 10,258,300 | 10,311,500 | 11,485,900 | 11,502,300 | 11,556,936 | 11,611,572 | 11,666,208 | 11,720,844 |
| % Change | 2.9% | 2.3% | 13.0% | 12.5% | 12.7% | 12.6% | 1.6% | 1.9% |
| Basic Subscribers | 6,349,800 | 6,388,300 | 6,970,100 | 6,953,700 | 6,829,073 | 6,890,429 | 7,004,951 | 6,988,469 |
| % Change | 2.4% | 2.0% | 10.3% | 9.5% | -1.2% | -0.9% | 0.5% | 0.5% |
| Homes Passed Penetration | 61.9% | 62.0% | 60.7% | 60.5% | 59.1% | 59.3% | 60.0% | 59.6% |
| Premium Subscriptions | 5,199,700 | 5,234,600 | 6,050,500 | 6,055,624 | 5,953,917 | 6,022,686 | 6,143,260 | 6,149,790 |
| % Change | 67.1% | 64.1% | 36.7% | 22.6% | 5.2% | 5.8% | 1.5% | 1.6% |
| Basic subscriber Penetration | 81.9% | 81.9% | 86.8% | 87.1% | 87.2% | 87.4% | 87.7% | 88.0% |
| Digital Subscriptions | 1,343,700 | 1,585,000 | 1,951,200 | 2,144,800 | 2,213,050 | 2,365,800 | 2,570,550 | 2,780,401 |
| % Change | 498.0% | 322.7% | 198.4% | 100.5% | 52.0% | 39.0% | 31.7% | 29.6% |
| Homes Passed Penetration | 13.1% | 15.4% | 17.0% | 18.6% | 19.1% | 20.4% | 22.0% | 23.7% |
| Basic subscriber Penetration | 21.2% | 24.8% | 28.0% | 30.8% | 32.4% | 34.3% | 36.7% | 39.8% |
| Premium Subscriber Penetration | 25.8% | 30.3% | 32.2% | 35.4% | 37.2% | 39.3% | 41.8% | 45.2% |
| HSCDS Subscribers | 305,000 | 385,600 | 507,700 | 607,700 | 714,950 | 857,950 | 1,020,450 | 1,200,776 |
| % Change | 221.1% | 216.6% | 223.2% | 181.3% | 120.3% | 111.7% | 101.0% | 97.6% |
| Homes Passed Penetration | 3.0% | 3.7% | 4.4% | 5.3% | 6.2% | 7.4% | 8.7% | 10.2% |
| Basic subscriber Penetration | 4.8% | 6.0% | 7.3% | 8.7% | 10.5% | 12.5% | 14.6% | 17.2% |
| Monthly Reg. Rev. per Basic Sub. | \$31.16 | \$32.02 | \$32.00 | \$32.33 | \$32.30 | \$34.22 | \$35.30 | \$36.00 |
| % Change | -1.0% | -0.3% | -0.2% | 0.5% | 2.8% | 6.7% | 10.4% | 11.3% |
| Monthly Reg. & Unreg. Rev. per Basic Sub. | 42.27 | 44.05 | 44.61 | 46.79 | 43.95 | 46.60 | 48.82 | 51.14 |
| % Change | 5.5% | 6.6% | 4.4% | 5.9% | 4.0% | 5.6% | 9.5% | 9.3% |
| Monthly Digital Video Rev. per Digital Sub. | 11.96 | 12.27 | 13.01 | 12.58 | 12.61 | 12.92 | 12.95 | 12.94 |
| % Change | -15.8% | -9.1% | -2.3% | -1.1% | 5.8% | 5.7% | 2.8% | 2.9% |
| Monthly HSCDS Rev. per HSCDS Sub. | 32.21 | 31.71 | 32.78 | 31.36 | 32.94 | 34.03 | 34.99 | 35.94 |
| % Change | -43.8% | -31.6% | -11.3% | -15.0% | 2.2% | 4.8% | 9.1% | 14.6% |
| Regulated Analog Revenues | \$593.6 | \$611.9 | \$667.8 | \$675.2 | \$667.8 | \$704.3 | \$735.8 | \$755.6 |
| % Change | 1.9% | 1.9% | 10.4% | 10.5% | 2.1% | 5.6% | 10.2% | 11.9% |
| Premium and Non-regulated Revenues | 211.8 | 229.9 | 263.1 | 302.1 | 240.8 | 254.8 | 281.8 | 317.8 |
| % Change | 32.9% | 33.6% | 30.6% | 32.1% | 6.7% | 1.7% | 7.1% | 5.2% |
| Digital Video Revenues | 43.3 | 53.9 | 69.0 | 77.3 | 82.5 | 88.8 | 95.9 | 103.9 |
| % Change | 434.6% | 344.0% | 235.7% | 135.1% | 75.3% | 53.3% | 38.9% | 34.5% |
| HSCDS Revenues | 25.2 | 32.9 | 43.9 | 52.5 | 65.3 | 80.3 | 98.6 | 119.7 |
| % Change | 82.4% | 118.0% | 184.2% | 154.0% | 144.5% | 125.9% | 124.5% | 128.2% |
| Total Revenue | \$873.8 | \$928.5 | \$1,043.8 | \$1,107.0 | \$1,056.3 | \$1,128.1 | \$1,212.0 | \$1,297.0 |
| % Change | 14.4% | 16.1% | 23.9% | 23.9% | 10.8% | 11.6% | 16.1% | 17.2% |

E: Morgan Stanley Research Estimate

Broadband Cable Television – April 5, 2002

Please see the important disclosures at the end of this report.

Exhibit 118

**Charter Communications
Cable Television Operations, Quarterly (continued)**

(\$ Million except per data)

| | 2001 as Reported | | | | 2002E | | | |
|--|------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 1Q | 2Q | 3Q | 4Q | 1QE | 2QE | 3QE | 4QE |
| Total Revenue | \$873.8 | \$928.5 | \$1,043.8 | \$1,107.8 | \$1,056.3 | \$1,128.1 | \$1,212.0 | \$1,297.0 |
| % Change | 14.4% | 16.1% | 23.9% | 23.9% | 10.8% | 11.6% | 16.1% | 17.2% |
| Analog Programming Costs | 210.4 | 211.8 | 237.3 | 243.3 | 260.5 | 262.3 | 268.8 | 276.2 |
| % of Total Analog Revenue | 26.1% | 25.2% | 25.5% | 24.9% | 28.7% | 27.4% | 26.4% | 25.7% |
| Digital Prog. & Direct Costs | 8.5 | 10.3 | 14.9 | 19.2 | 18.0 | 19.3 | 20.8 | 22.5 |
| % of Total Digital Revenue | 19.7% | 19.1% | 21.6% | 24.9% | 21.8% | 21.7% | 21.7% | 21.7% |
| HSCDS Direct Operating Costs | 5.3 | 7.0 | 9.6 | 11.8 | 14.3 | 17.5 | 21.6 | 26.2 |
| % of Total HSCDS Revenue | 21.0% | 21.3% | 22.0% | 22.4% | 21.9% | 21.8% | 21.9% | 21.9% |
| Total Programming and Direct Costs | 224.2 | 229.2 | 261.9 | 274.3 | 292.8 | 299.1 | 311.1 | 325.0 |
| % of Total HSCDS Revenue | 25.7% | 24.7% | 25.1% | 24.8% | 27.7% | 26.5% | 25.7% | 25.1% |
| Analog Service Gross Profit | 595.0 | 629.9 | 693.6 | 734.0 | 648.0 | 696.7 | 748.8 | 797.2 |
| % of Total Analog Revenue | 73.9% | 74.8% | 74.5% | 75.1% | 71.3% | 72.6% | 73.6% | 74.3% |
| Digital Service Gross Profit | 34.8 | 43.6 | 54.1 | 58.1 | 64.5 | 69.5 | 75.1 | 81.4 |
| % of Total Digital Revenue | 80.3% | 80.9% | 78.4% | 75.1% | 78.2% | 78.3% | 78.3% | 78.3% |
| HSCDS Gross Profit | 19.9 | 25.9 | 34.3 | 40.7 | 51.1 | 62.8 | 77.0 | 93.5 |
| % of Total HSCDS Revenue | 79.0% | 78.7% | 78.0% | 77.6% | 78.1% | 78.2% | 78.1% | 78.1% |
| Total Gross Profit | \$649.6 | \$699.3 | \$781.9 | \$832.8 | \$763.5 | \$829.0 | \$900.9 | \$972.0 |
| % of Total Revenue | 74.3% | 75.3% | 74.9% | 75.2% | 72.3% | 73.5% | 74.3% | 74.9% |
| Plant Operating Costs | 52.9 | 54.5 | 60.2 | 62.3 | 59.8 | 62.6 | 64.0 | 64.8 |
| % of Total Revenues | 6.1% | 5.9% | 5.8% | 5.6% | 5.7% | 5.6% | 5.3% | 5.0% |
| Marketing Costs | 16.6 | 18.6 | 18.8 | 16.3 | 21.1 | 25.4 | 30.3 | 35.7 |
| % of Total Revenues | 1.9% | 2.0% | 1.8% | 1.5% | 2.0% | 2.3% | 2.5% | 2.8% |
| Gen. & Admin. Costs | 178.5 | 184.1 | 220.5 | 237.3 | 217.6 | 218.7 | 247.1 | 262.7 |
| % of Total Revenues | 20.4% | 19.8% | 21.1% | 21.4% | 20.6% | 19.4% | 20.4% | 20.3% |
| Operating Costs | 248.0 | 257.3 | 299.4 | 315.9 | 298.5 | 306.7 | 341.4 | 363.2 |
| % of Revenues | 28.4% | 27.7% | 28.7% | 28.5% | 28.3% | 27.2% | 28.2% | 28.0% |
| EBITDA incl. New Serv. Start-up Losses x Teleph | \$401.7 | \$442.0 | \$482.6 | \$516.8 | \$465.0 | \$522.3 | \$559.5 | \$608.8 |
| Operating Margin | 46.0% | 47.6% | 46.2% | 46.7% | 44.0% | 46.3% | 46.2% | 46.9% |
| % Change | 9.5% | 13.2% | 16.4% | 15.7% | 8.1% | 11.0% | 15.9% | 17.8% |
| 5 Year Rolling CAGR | | | | | | | | |
| Add: Mgmt. Fees Net of Allocated Overhead Exp. | (13.7) | (14.0) | (15.0) | (14.2) | (17.5) | (17.5) | (17.5) | (17.5) |
| Reported EBITDA | \$387.9 | \$428.1 | \$467.5 | \$502.6 | \$447.5 | \$504.8 | \$542.0 | \$591.3 |
| Add: Broadband Losses excl. Telephony | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBITDA excl. New Serv. Start-up Losses | \$387.9 | \$428.1 | \$467.5 | \$502.6 | \$447.5 | \$504.8 | \$542.0 | \$591.3 |
| Operating Margin | 44.4% | 46.1% | 44.8% | 45.4% | 42.4% | 44.8% | 44.7% | 45.6% |
| % Change | 9.7% | 14.1% | 16.8% | 16.1% | 8.8% | 11.7% | 15.9% | 17.7% |

E= Morgan Stanley Research Estimates

Broadband Cable Television – April 5, 2002

Please see the important disclosures at the end of this report.

Exhibit 119

Charter Communications

Pro Forma Cable Television Operations, 2000-2006E

(\$ Million except per data)

| | Actual | | Pro Forma (1) | | 2002E | 2003E | 2004E | 2005E | 2006E |
|---|------------|------------|---------------|------------|------------|------------|------------|------------|------------|
| | 2000 | 2001 | 2000 | 2001 | | | | | |
| Homes Passed | 10,225,000 | 11,502,300 | 11,291,800 | 11,502,300 | 11,720,844 | 11,943,540 | 12,170,467 | 12,390,144 | 12,602,604 |
| % Change | 13.6% | 12.5% | | 1.9% | 1.9% | 1.9% | 1.9% | 1.8% | 1.7% |
| Basic Subscribers | 6,350,900 | 6,953,700 | 6,953,700 | 6,953,700 | 6,988,469 | 7,023,411 | 7,058,528 | 7,093,821 | 7,129,290 |
| % Change | 15.7% | 9.5% | | 0.0% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% |
| Homes Passed Penetration | 62.1% | 60.5% | 61.6% | 60.5% | 59.6% | 58.8% | 58.0% | 57.3% | 56.6% |
| Premium Subscriptions | 5,326,900 | 6,055,624 | 5,326,900 | 6,055,624 | 6,073,687 | 6,074,473 | 6,074,199 | 6,076,317 | 6,081,421 |
| % Change | 88.9% | 13.7% | | 13.7% | 0.3% | 0.0% | 0.0% | 0.0% | 0.1% |
| Basic subscriber Penetration | 83.9% | 87.1% | 76.6% | 87.1% | 86.9% | 86.5% | 86.1% | 85.7% | 85.3% |
| Digital Subscriptions | 1,069,500 | 2,144,800 | 1,177,500 | 2,144,800 | 2,780,401 | 3,307,559 | 3,720,747 | 4,126,922 | 4,549,025 |
| % Change | 588.2% | 100.5% | | 82.1% | 29.6% | 19.0% | 12.5% | 10.9% | 10.2% |
| Homes Passed Penetration | 10.5% | 18.6% | 10.4% | 18.6% | 23.7% | 27.7% | 30.6% | 33.3% | 36.1% |
| Basic subscriber Penetration | 16.8% | 30.8% | 16.9% | 30.8% | 39.8% | 47.1% | 52.7% | 58.2% | 63.8% |
| Premium Subscriber Penetration | 20.1% | 35.4% | 22.1% | 35.4% | 45.8% | 54.5% | 61.3% | 67.9% | 74.8% |
| HSCDS Subscribers | 215,900 | 607,700 | 229,000 | 607,700 | 1,200,776 | 1,793,571 | 2,456,970 | 3,139,046 | 3,896,916 |
| % Change | 229.1% | 181.5% | | 165.4% | 97.6% | 49.4% | 37.0% | 27.8% | 24.1% |
| Homes Passed Penetration | 2.1% | 5.3% | 2.0% | 5.3% | 10.2% | 15.0% | 20.2% | 25.3% | 30.9% |
| Basic subscriber Penetration | 3.4% | 8.7% | 3.3% | 8.7% | 17.2% | 25.5% | 34.8% | 44.3% | 54.7% |
| Monthly Reg. Rev. per Basic Sub. | \$36.43 | \$31.89 | \$32.28 | \$32.61 | \$34.46 | \$35.85 | \$37.64 | \$39.52 | \$41.50 |
| % Change | 20.8% | -12.5% | | 1.0% | 5.7% | 4.0% | 5.0% | 5.0% | 5.0% |
| Monthly Reg. & Unreg. Rev. per Basic Sub. | 47.93 | 44.49 | 42.54 | 44.51 | 47.64 | 50.78 | 54.14 | 57.61 | 61.33 |
| % Change | 21.7% | -7.2% | | 4.6% | 7.0% | 6.6% | 6.6% | 6.4% | 6.5% |
| Monthly Digital Video Rev. per Digital Sub. | 16.45 | 12.51 | 14.67 | 12.13 | 12.87 | 13.06 | 13.70 | 14.38 | 15.10 |
| % Change | -18.8% | -23.9% | | -17.3% | 6.0% | 1.5% | 4.9% | 5.0% | 5.0% |
| Monthly HSCDS Rev. per HSCDS Sub. | 52.60 | 31.97 | 44.15 | 31.60 | 34.69 | 34.49 | 34.23 | 34.04 | 33.93 |
| % Change | 17.1% | -39.2% | | -28.4% | 9.8% | -0.6% | -0.8% | -0.6% | -0.3% |
| Regulated Analog Revenues | \$2,363.8 | \$2,548.4 | \$2,613.2 | \$2,721.3 | \$2,863.4 | \$3,013.6 | \$3,180.1 | \$3,355.8 | \$3,541.2 |
| % Change | 7.3% | 7.8% | | 4.1% | 5.2% | 5.2% | 5.5% | 5.5% | 5.5% |
| Premium and Non-regulated Revenues | 746.8 | 1006.8 | 830.8 | 992.9 | 1,095.1 | 1,255.8 | 1,394.6 | 1,535.8 | 1,692.8 |
| % Change | 10.5% | 34.8% | | 19.5% | 10.3% | 14.7% | 11.1% | 10.1% | 10.2% |
| Digital Video Revenues | 73.7 | 243.5 | 82.1 | 241.9 | 371.0 | 477.0 | 577.7 | 677.1 | 785.8 |
| % Change | 258.3% | 230.6% | | 194.6% | 53.4% | 28.6% | 21.1% | 17.2% | 16.1% |
| HSCDS Revenues | 65.0 | 154.4 | 68.2 | 158.7 | 364.0 | 619.7 | 873.0 | 1,142.8 | 1,432.4 |
| % Change | 273.6% | 137.6% | | 132.7% | 129.4% | 70.3% | 40.9% | 30.9% | 25.3% |
| Total Revenue | \$3,249.2 | \$3,953.1 | \$3,610.8 | \$4,114.8 | \$4,693.5 | \$5,366.0 | \$6,025.3 | \$6,711.4 | \$7,452.2 |
| % Change | 11.4% | 21.7% | | 14.0% | 14.1% | 14.3% | 12.3% | 11.4% | 11.0% |

E= Morgan Stanley Research Estimates

Exhibit 120

Charter Communications

Pro Forma Cable Television Operations, 2000-2006E (continued)

(\$ Million except per data)

| | Actual | | Pro Forma (1) | | 2002E | 2003E | 2004E | 2005E | 2006E |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2000 | 2001 | 2000 | 2001 | | | | | |
| Total Revenue | \$3,249.2 | \$3,953.1 | \$3,610.8 | \$4,114.8 | \$4,693.5 | \$5,366.0 | \$6,025.3 | \$6,711.4 | \$7,452.2 |
| % Change | 11.4% | 21.7% | | 14.0% | 14.1% | 14.3% | 12.3% | 11.4% | 11.0% |
| Analog Programming Costs | 728.9 | 902.8 | 836.9 | 951.5 | 1,067.8 | 1,192.9 | 1,297.1 | 1,409.3 | 1,532.3 |
| % of Total Analog Revenue | 23.4% | 25.4% | 24.3% | 25.6% | 27.0% | 27.9% | 28.4% | 28.8% | 29.3% |
| Digital Prog. & Direct Costs | 7.2 | 52.9 | 31.0 | 52.6 | 80.5 | 114.0 | 149.7 | 189.0 | 235.1 |
| % of Total Digital Revenue | 9.7% | 21.7% | 37.7% | 21.7% | 21.7% | 23.9% | 25.9% | 27.9% | 29.9% |
| HSCDS Direct Operating Costs | 15.3 | 33.7 | 15.6 | 34.6 | 79.6 | 136.8 | 193.1 | 253.4 | 317.9 |
| % of Total HSCDS Revenue | 23.5% | 21.8% | 22.9% | 21.8% | 21.9% | 22.1% | 22.1% | 22.2% | 22.2% |
| Total Programming and Direct Costs | 751.3 | 989.5 | 883.4 | 1,038.7 | 1,228.0 | 1,443.7 | 1,640.0 | 1,851.7 | 2,085.3 |
| % of Total HSCDS Revenue | 23.1% | 25.0% | 24.5% | 25.2% | 26.2% | 26.9% | 27.2% | 27.6% | 28.0% |
| Analog Service Gross Profit | 2,381.7 | 2,652.4 | 2,607.0 | 2,762.8 | 2,890.7 | 3,076.5 | 3,277.5 | 3,482.3 | 3,701.8 |
| % of Total Analog Revenue | 76.6% | 74.6% | 75.7% | 74.4% | 73.0% | 72.1% | 71.6% | 71.2% | 70.7% |
| Digital Service Gross Profit | 66.5 | 190.5 | 51.1 | 189.3 | 290.5 | 362.9 | 427.9 | 488.0 | 550.7 |
| % of Total Digital Revenue | 90.3% | 78.3% | 62.3% | 78.3% | 78.3% | 76.1% | 74.1% | 72.1% | 70.1% |
| HSCDS Gross Profit | 52.5 | 120.7 | 52.5 | 124.1 | 284.4 | 482.9 | 679.9 | 889.4 | 1,114.4 |
| % of Total HSCDS Revenue | 80.9% | 78.2% | 77.1% | 78.2% | 78.1% | 77.9% | 77.9% | 77.8% | 77.8% |
| Total Gross Profit | \$2,497.9 | \$2,963.7 | \$2,727.4 | \$3,076.1 | \$3,465.5 | \$3,922.3 | \$4,385.3 | \$4,859.7 | \$5,366.9 |
| % of Total Revenue | 76.9% | 75.0% | 75.5% | 74.8% | 73.8% | 73.1% | 72.8% | 72.4% | 72.0% |
| Plant Operating Costs | 192.6 | 229.9 | 241.7 | 269.4 | 251.3 | 265.7 | 278.8 | 290.5 | 303.4 |
| % of Total Revenues | 5.9% | 5.8% | 6.7% | 6.5% | 5.4% | 5.0% | 4.6% | 4.3% | 4.1% |
| Marketing Costs | 63.8 | 70.3 | 69.8 | 72.4 | 112.5 | 134.2 | 162.7 | 194.6 | 231.0 |
| % of Total Revenues | 2.0% | 1.8% | 1.9% | 1.8% | 2.4% | 2.5% | 2.7% | 2.9% | 3.1% |
| Gen. & Admin. Costs | 633.8 | 820.3 | 693.7 | 834.1 | 946.0 | 1,065.6 | 1,111.6 | 1,173.9 | 1,268.4 |
| % of Total Revenues | 19.5% | 20.8% | 19.2% | 20.3% | 20.2% | 19.9% | 18.4% | 17.5% | 17.0% |
| Operating Costs | 890.2 | 1,120.6 | 1,005.2 | 1,176.0 | 1,309.8 | 1,465.4 | 1,553.0 | 1,659.0 | 1,802.9 |
| % of Revenues | 27.4% | 28.3% | 27.8% | 28.6% | 27.9% | 27.3% | 25.8% | 24.7% | 24.2% |
| EBITDA incl. New Serv. Start-up Losses x Teleph | \$1,607.7 | \$1,843.1 | \$1,722.2 | \$1,900.1 | \$2,155.7 | \$2,456.9 | \$2,832.3 | \$3,200.7 | \$3,564.0 |
| Operating Margin | 49.5% | 46.6% | 47.7% | 46.2% | 45.9% | 45.8% | 47.0% | 47.7% | 47.8% |
| % Change | 18.4% | 14.6% | | 10.3% | 13.5% | 14.0% | 15.3% | 13.0% | 11.4% |
| 5 Year Rolling CAGR | | | | | | | 14.7% | 13.2% | 14.1% |
| Add: Mgmt. Fees Net of Allocated Overhead Exp. | (65.1) | (56.9) | (68.0) | (66.5) | (70.0) | (80.0) | (89.9) | (94.4) | (99.1) |
| Reported EBITDA | \$1,542.6 | \$1,786.2 | \$1,654.2 | \$1,833.6 | \$2,085.7 | \$2,376.9 | \$2,742.4 | \$3,106.3 | \$3,464.9 |
| Add: Broadband Losses excl. Telephony | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBITDA excl. New Serv. Start-up Losses | \$1,542.6 | \$1,786.2 | \$1,654.2 | \$1,833.6 | \$2,085.7 | \$2,376.9 | \$2,742.4 | \$3,106.3 | \$3,464.9 |
| Operating Margin | 47.5% | 45.2% | 45.8% | 44.6% | 44.4% | 44.3% | 45.5% | 46.3% | 46.5% |
| % Change | 25.2% | 15.8% | | 10.9% | 13.7% | 14.0% | 15.4% | 13.3% | 11.5% |

E = Morgan Stanley Research Estimates

Comcast Corporation (CMCSK, \$30, Industry View: Attractive, ++)

++ Rating and price target for this company have been removed from consideration in this report because, under applicable law and/or Morgan Stanley policy, Morgan Stanley may be precluded from issuing such information with respect to the company at this time.

Morgan Stanley & Co. Incorporated ("Morgan Stanley") is currently acting as financial advisor to Comcast Corp ("Comcast") in its announced proposed merger with AT&T Broadband.

The proposed transaction is subject to, among other things, the approval of shareholders of Comcast and AT&T Corp. This report and the information provided herein is not intended to (i) provide voting advice, (ii) serve as an endorsement of the proposed transaction, or (iii) result in the procurement, withholding or revocation of a proxy or any other action by a security holder.

Comcast has agreed to pay fees to Morgan Stanley for its financial services, including transaction fees that are contingent upon the consummation of the proposed transaction.

Please refer to the notes at the end of the report.

Please see Exhibit 121, "Broadband Drivers," for an illustration of our modeling assumptions. We are forecasting Comcast "stand-alone," which is not pro forma for the announced AT&T Broadband transactions.

Comcast Cable

We expect pro forma cable revenue and EBITDA growth of 11-12% and 10-11%, respectively, in 1Q02. For 2002, we project pro forma revenue and EBITDA growth of 12% and 14%, respectively. We expect a slight decline in cable EBITDA margins in 1Q02, with quarterly margin improvement through 2002. The company's cable guidance is for 10-12% pro forma revenue growth and 12-14% pro forma EBITDA growth.

We anticipate 1% basic subscriber growth during the year, and basic rate increases should average 4-5% in 2002.

Digital Additions, VOD

Comcast should add 160,000 digital subscriptions in 1Q02, a decline from 4Q01 levels of 214,000. Comcast reports subscriptions, not subscribers, but we assume 1.25 digital set-top boxes per subscriber. Therefore, 160,000

subscriptions equates to about 130,000 digital subscribers, in our view.

We have always assumed a decline in digital additions in 2002 versus 2001, as penetration of basic subscribers has already exceeded 20% (based on reported subscriptions divided by 1.25). We expect the company to end the year with just under 3 million digital subscriptions, which represents a 19% decline in additions from 2001 on a pro forma basis. By the end of 2002, we expect digital subscriber penetration of basic subscribers to reach 28%.

Comcast ended 2001 with 3 million VOD-enabled homes and expects to increase this to 5-6 million by the end of 2002. We estimate that this means that 1.35-1.45 million Comcast digital subscribers will have access to VOD by the end of 2002. In addition, Comcast plans to launch high-definition on four channels — ABC, NBC, HBO, and Showtime — to 1.3 million subscribers in the Mid-Atlantic cluster.

Cable-Modem Additions

We expect Comcast to add 94,000 cable modem subscribers in 1Q02, to end the quarter with 1.04 million subscribers. ARPU on the data product should average \$40 per month during the quarter, up from an average of \$35 in 2001. As to 2002, we project acceleration in additions of about 23% from 2001, for year-end 2002 data subscribers of 1.53 million. Penetration of total homes passed at the end of 2002 should be just over 10%, versus 6.8% at the end of 2001.

During 1Q02, Comcast completed the transition of its 1.0 million data customers off the @Home backbone to its own managed backbone. Under the @Home agreement, Comcast paid @Home 35% of the gross data monthly revenue. Comcast believes it will be able to reduce these costs below 35% — largely through savings in customer service costs and paying a fixed bandwidth cost — by running its own backbone.

In February, Comcast announced an agreement with United Online to offer high speed Internet services via United's ISPs, Netzero, and Juno. United Online will market the service to the subset of its existing 1.5 million dial-up subscribers who reside within Comcast's footprint. If these subscribers upgrade to a United broadband service via Comcast's cable modem, Comcast performs the installation, bills the customer, operates the customer service, and man-

Broadband Cable Television – April 5, 2002

Please see the important disclosures at the end of this report.

ages the entire network flow of traffic. The subscriber retains its United email address, and the home page is a United home page. Under this arrangement, United's only acquisition cost is the marketing expense, which we expect to be insignificant on its existing dial-up base.

We project that Comcast receives revenue of more than \$35 per month per subscriber on these United broadband subscribers, with United taking the difference between the gross revenue and its payment to Comcast. The latter also saves the typical \$150 in marketing costs it incurs on each of its new broadband subscribers.

Capital Expenditures and Plant Upgrades

We expect about \$1.57 billion of total capital expenditures during the year, with an estimated \$1.3 billion for the cable business. This compares to total capital expenditures of \$2.2 billion in 2001. The decline in capex is primarily due to less rebuild and upgrade activity. In addition, the cost of set-top boxes and cable modems continues to decline.

Comcast ended 2001 with 95% of its systems upgraded for 550 MHz or higher and about 82% of its systems were at 750 MHz or higher.

QVC

We expect QVC to deliver 11–12% revenue growth and 12–13% EBITDA growth in 2002. Within QVC's domestic operations, we forecast revenue and EBITDA growth of 11% and 12%, respectively. We project domestic sales per full time equivalent subscriber (FTE) to increase 6–7% in 2002. After a difficult 2001, QVC U.K. should grow revenue 11% in 2002 based on continued distribution growth coupled with moderate growth in sales/FTE. In Germany, we forecast 14% revenue growth and expect EBITDA to be close to break-even. In 1Q02, we anticipate 11.5–12.0% revenue growth and 13.0–13.5% EBITDA growth, reflecting a moderate expansion in international EBITDA margins.

Content

The content businesses include E! Entertainment, the Golf Channel, Outdoor Life, and Spectacor. In 2001 on a pro forma basis, these channels contributed \$740 million in revenue and \$190 million of cash flow. In 2002, we expect the content business to generate revenue and cash flow growth of 9–10% and 17–18%, respectively.

Exhibit 121

Comcast Corporation
Broadband Cable Drivers

Dollars in Millions

| | Pro Forma | | 2002 | 2003 | 1Q01 | 2Q01 | 3Q01 | 4Q01 | 1Q02 | 2Q02 | 3Q02 | 4Q02 |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Broadband Subscribers | 2001 | 2002 | | | | | | | | | | |
| Bands | 8,386,884 | 8,471,088 | 8,552,088 | 8,632,000 | 7,732,600 | 8,306,500 | 8,437,000 | 8,471,000 | 8,503,400 | 8,511,500 | 8,519,600 | 8,552,000 |
| Pro Forma Basic Growth % | 2.2% | 1.0% | 1.0% | 0.9% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% |
| Basic ARPU | \$34.53 | \$35.34 | \$37.22 | \$32.90 | \$34.76 | \$35.70 | \$36.10 | \$36.30 | \$36.28 | \$37.53 | \$37.53 | \$37.53 |
| Prog. Exp as % of Analog Revs | 25.0% | 24.2% | 23.5% | 22.6% | 25.5% | 24.3% | 23.8% | 23.5% | 24.9% | 23.9% | 22.8% | 22.6% |
| Per Sub Prog. Exp Growth % | 3.9% | 4.5% | 7.7% | 7.4% | 4.7% | 3.4% | 3.0% | 3.1% | 7.9% | 7.4% | 7.8% | 7.4% |
| Digital Video Subscriptions | 1,519,900 | 2,335,800 | 2,996,885 | 3,548,676 | 1,555,400 | 1,860,100 | 2,122,000 | 2,335,800 | 2,498,300 | 2,641,300 | 2,816,800 | 2,996,885 |
| Digital Weekly Additions | 16,131 | 35,690 | 12,715 | 10,611 | 12,254 | 15,454 | 21,685 | 16,440 | 12,500 | 11,000 | 13,500 | 13,853 |
| Digital ARPU | \$11.00 | \$10.50 | \$10.87 | \$11.37 | \$10.85 | \$10.65 | \$10.60 | \$10.53 | \$10.75 | \$10.85 | \$10.85 | \$11.00 |
| Digital Penetration | 18.1% | 27.6% | 35.0% | 41.1% | 20.1% | 22.2% | 25.2% | 27.6% | 29.4% | 31.0% | 33.1% | 34.0% |
| Dig. Programming Expense % | 21.6% | 19.1% | 22.0% | 24.0% | 20.0% | 20.0% | 20.0% | 20.0% | 22.0% | 22.0% | 22.0% | 22.0% |
| Cable Modem Subscribers | 479,400 | 948,800 | 1,525,850 | 2,145,145 | 542,100 | 675,600 | 792,700 | 948,800 | 1,042,250 | 1,185,250 | 1,354,250 | 1,525,850 |
| Cable Modem Weekly Additions | 4,841 | 9,012 | 11,113 | 11,910 | 10,931 | 10,260 | 9,808 | 11,940 | 7,250 | 11,000 | 13,000 | 13,200 |
| Cable Modem ARPU | \$35.00 | \$35.00 | \$41.90 | \$41.44 | \$38.57 | \$33.71 | \$34.05 | \$35.00 | \$40.00 | \$42.00 | \$42.40 | \$42.85 |
| Cable Modem Penetration | 5.7% | 11.2% | 17.8% | 24.9% | 7.0% | 8.1% | 9.4% | 11.2% | 12.3% | 13.9% | 15.9% | 17.3% |
| Affiliate Fee as % of Revenue | 28.3% | 33.3% | 25.4% | 20.0% | 31.8% | 34.3% | 35.0% | 38.0% | 30.0% | 30.0% | 25.0% | 20.0% |
| Broadband Fixed Costs (1) | \$1,502.8 | \$1,560.6 | \$1,681.6 | \$1,892.2 | \$334.9 | \$368.4 | \$386.9 | \$404.1 | \$404.3 | \$407.7 | \$428.6 | \$440.4 |
| Fixed Costs (% Change) | 17.9% | 3.8% | 7.8% | 12.5% | 20.3% | 10.2% | 34.3% | 22.9% | 12.5% | 10.7% | 10.8% | 9.0% |
| Total Cable Capex | \$1,446.1 | \$1,853.3 | \$1,326.5 | \$1,359.3 | | \$437.7 | \$511.6 | \$449.6 | \$265.3 | \$398.0 | \$398.0 | \$265.3 |

QVC Drivers

| FTEs | 2001 | 2002 | 2003 | 2004 | 1Q01 | 2Q01 | 3Q01 | 4Q01 | 1Q02 | 2Q02 | 3Q02 | 4Q02 |
|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Domestic | 70,300 | 73,500 | 75,790 | 77,690 | 71,300 | 72,100 | 72,300 | 73,500 | 74,071 | 74,645 | 75,218 | 75,790 |
| UK | 8,900 | 10,100 | 10,820 | 11,440 | 8,900 | 9,500 | 9,700 | 10,100 | 10,280 | 10,460 | 10,640 | 10,820 |
| Germany | 23,200 | 24,400 | 24,692 | 24,987 | 22,400 | 23,800 | 22,800 | 24,400 | 24,471 | 24,540 | 24,610 | 24,692 |
| Sales per FTE | | | | | | | | | | | | |
| Domestic | \$44.54 | \$46.91 | \$50.19 | \$53.70 | \$10.67 | \$10.50 | \$10.71 | \$14.92 | \$11.41 | \$11.29 | \$11.40 | \$15.97 |
| UK | \$35.81 | \$28.60 | \$28.90 | \$29.52 | \$7.72 | \$6.90 | \$6.52 | \$8.43 | \$7.40 | \$6.75 | \$6.32 | \$8.22 |
| Germany | \$6.40 | \$8.51 | \$9.20 | \$10.58 | \$2.02 | \$1.83 | \$1.97 | \$2.72 | \$2.18 | \$1.95 | \$2.12 | \$2.97 |
| Gross Margin | | | | | | | | | | | | |
| Domestic | 35% | 36% | 36% | 36% | 38% | 37% | 37% | 48% | 37% | 37% | 37% | 48% |
| UK | 35% | 36% | 38% | 38% | 35% | 32% | 33% | 52% | 38% | 35% | 34% | 51% |
| Germany | 30% | 30% | 32% | 35% | 29% | 26% | 34% | 43% | 30% | 28% | 35% | 46% |
| Fixed Cost Growth | | | | | | | | | | | | |
| Domestic | 5% | 31% | 4% | 8% | 34% | 42% | 48% | 4% | 4% | 4% | 4% | 4% |
| UK | 45% | -20% | 11% | 3% | 19% | -27% | -30% | -25% | 13% | -3% | 1% | 41% |
| Germany | 2% | 14% | 14% | 5% | -23% | 8% | 22% | 57% | 39% | 6% | -3% | 19% |

E = Morgan Stanley Research Estimate

Exhibit 122

Comcast Corporation
Consolidated Annual Income Statement

(In Millions Except Per Share Data)

| | 2000 | 2001 | Pro Forma | | 2002E | 2003E | 2004E | 2005E | 2006E |
|--|-----------|-----------|-------------|-------------|------------|------------|------------|------------|------------|
| | | | 2000 | 2001 | | | | | |
| Revenues | \$8,189.9 | \$9,674.2 | \$9,013.1 | \$9,933.9 | \$11,014.0 | \$12,323.4 | \$13,699.4 | \$15,270.7 | \$17,027.9 |
| Operating Expenses | 5,723.2 | 6,972.4 | 6,405.4 | 7,143.3 | 7,607.3 | 8,376.2 | 9,227.2 | 10,213.6 | 11,303.4 |
| EBITDA | \$2,466.6 | \$2,701.8 | \$2,607.7 | \$2,790.6 | \$3,406.7 | \$3,947.2 | \$4,472.2 | \$5,057.1 | \$5,724.6 |
| Operating Cash Flow Margin | 30.1% | 27.9% | 28.9% | 28.1% | 30.9% | 32.0% | 32.6% | 33.1% | 33.6% |
| Depreciation | 837.3 | 1,141.8 | 1,025.8 | 1,252.5 | 1,361.6 | 1,437.1 | 1,476.6 | 1,503.5 | 1,545.6 |
| EBITA | \$1,629.3 | \$1,560.0 | \$1,581.9 | \$1,538.1 | \$2,045.1 | \$2,510.1 | \$2,995.6 | \$3,553.7 | \$4,178.9 |
| Amortization | 1,794.0 | 2,306.2 | 2,306.2 | 2,306.2 | 300.0 | 300.0 | 300.0 | 300.0 | 300.0 |
| EBIT | (\$164.7) | (\$746.2) | (\$724.3) | (\$768.1) | \$1,745.1 | \$2,210.1 | \$2,695.6 | \$3,253.7 | \$3,878.9 |
| Cash Interest Expense | 691.4 | 717.4 | 734.9 | 717.4 | 798.7 | 822.4 | 787.2 | 738.4 | 698.4 |
| Non-cash Interest Expense | 0.0 | 14.4 | 0.0 | 14.4 | 12.7 | 12.9 | 13.0 | 13.2 | 13.4 |
| Interest Income | 23.6 | 19.5 | 23.6 | 19.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 |
| Other Income/Loss | 4,451.8 | 2,343.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pretax Profit Before Equity Interests | \$3,619.3 | \$884.7 | (\$1,435.6) | (\$1,480.3) | \$944.2 | \$1,385.3 | \$1,905.8 | \$2,512.6 | \$3,177.6 |
| Income/(Loss) from Equity Interests | (21.3) | (28.5) | (21.3) | (28.5) | (28.5) | (28.5) | (34.2) | (41.0) | (49.2) |
| Income (Loss) Before Taxes | \$3,598.0 | \$856.2 | (\$1,456.9) | (\$1,508.8) | \$915.7 | \$1,356.8 | \$1,871.6 | \$2,471.5 | \$3,128.4 |
| Deferred Taxes | 1,074.6 | (240.7) | (286.7) | (307.5) | (50.1) | (17.5) | 21.0 | 65.9 | 115.1 |
| Current Taxes | 366.7 | 710.9 | 0.0 | 0.0 | 399.5 | 530.1 | 684.1 | 863.7 | 1,060.6 |
| Income/(Loss) Before Extraordinary Items | \$2,156.7 | \$886.0 | (\$1,170.2) | (\$1,201.4) | \$566.4 | \$844.3 | \$1,166.5 | \$1,541.9 | \$1,952.7 |
| Minority Interest Expense | (115.3) | (160.4) | (115.3) | (160.4) | (250.9) | (291.3) | (330.8) | (372.8) | (411.0) |
| Extraordinary Items (After Taxes) | (23.6) | 383.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Income/(Loss) | \$2,017.8 | \$608.6 | (\$1,285.5) | (\$1,361.8) | \$315.5 | \$553.0 | \$835.7 | \$1,169.1 | \$1,541.7 |
| Preferred Stock Dividends | 23.5 | 0.0 | 23.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Income/(Loss) to Common | \$1,994.3 | \$608.6 | (\$1,309.0) | (\$1,361.8) | \$315.5 | \$553.0 | \$835.7 | \$1,169.1 | \$1,541.7 |
| Average Basic Shares Outstanding | 890,700 | 949,700 | 939,292 | 949,700 | 943,611 | 940,189 | 935,049 | 928,271 | 920,124 |
| Reported Basic EPS | \$2.24 | \$0.64 | (\$1.39) | (\$1.43) | \$0.33 | \$0.59 | \$0.89 | \$1.26 | \$1.68 |
| Average Fully Diluted Shares Outstanding | 948,700 | 964,500 | 948,700 | 964,500 | 945,414 | 961,380 | 957,339 | 951,714 | 944,670 |
| Reported Fully Diluted EPS | \$2.11 | \$0.63 | (\$1.38) | (\$1.41) | \$0.33 | \$0.58 | \$0.87 | \$1.23 | \$1.63 |
| Less: Extraordinary and Nonrecurring Items per Share | (3.03) | (1.98) | 0.02 | 0.02 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Adjusted Fully Diluted EPS | (\$0.92) | (\$1.35) | (\$1.35) | (\$1.39) | \$0.33 | \$0.58 | \$0.87 | \$1.23 | \$1.63 |
| Plus: Amortization of Goodwill | 1.89 | 2.39 | 2.43 | 2.39 | 0.32 | 0.31 | 0.31 | 0.32 | 0.32 |
| Less: Tax Expense related to Amortization | (0.64) | (0.81) | (0.83) | (0.81) | (0.13) | (0.12) | (0.13) | (0.13) | (0.13) |
| Less: Equity Income / Losses from Affiliates | 0.02 | 0.03 | 0.02 | 0.03 | 0.03 | 0.03 | 0.04 | 0.04 | 0.05 |
| Adjusted Fully Diluted Revised GAAP EPS | \$0.33 | \$0.20 | \$0.27 | \$0.21 | \$0.53 | \$0.78 | \$1.10 | \$1.46 | \$1.87 |

E= Morgan Stanley Research Estimates

Exhibit 123

**Comcast Corporation
Balance Sheet Forecast**

| | 2000 | 2001 | 2002E | 2003E | 2004E | 2005E | 2006E |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Cash & Marketable Securities | \$651.5 | \$350.0 | \$350.0 | \$350.0 | \$350.0 | \$350.0 | \$350.0 |
| Accounts Receivable | 891.9 | 967.4 | 1,101.4 | 1,232.3 | 1,369.9 | 1,527.0 | 1,702.8 |
| Other Current Assets | 541.3 | 608.2 | 692.4 | 774.8 | 861.3 | 960.0 | 1,070.5 |
| Total Current Assets | 2,084.7 | 1,925.6 | 2,143.8 | 2,357.1 | 2,581.2 | 2,837.1 | 3,123.3 |
| Prop., Plant, & Equip. (Rpt) | 6,799.2 | 9,736.8 | 10,526.9 | 11,147.5 | 11,418.2 | 11,858.8 | 12,380.6 |
| Accumulated Depreciation | 1,596.5 | 2,725.7 | 3,308.3 | 3,798.0 | 4,271.3 | 4,747.1 | 5,225.5 |
| Net Prop., Plant, & Equip. | 5,202.7 | 7,011.1 | 7,218.6 | 7,349.5 | 7,146.9 | 7,111.7 | 7,155.1 |
| Investments in Uncon. Operations | 5,721.6 | 4,302.4 | 4,273.9 | 4,245.4 | 4,211.2 | 4,170.2 | 4,120.9 |
| Intangible Assets | 22,735.5 | 24,892.7 | 24,592.7 | 24,292.7 | 23,992.7 | 23,692.7 | 23,392.7 |
| Other Assets | (0.0) | (0.0) | 0.0 | (0.0) | 0.0 | 0.0 | 0.0 |
| Total Assets | <u>\$35,744.5</u> | <u>\$38,131.8</u> | <u>\$38,229.0</u> | <u>\$38,244.7</u> | <u>\$37,932.0</u> | <u>\$37,811.7</u> | <u>\$37,792.0</u> |
| Short-term Debt | \$293.7 | \$460.2 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Account Payable | 2,852.9 | 2,852.4 | 3,027.2 | 3,140.6 | 3,217.3 | 3,280.8 | 3,317.8 |
| Other Current Liabilities | 105.5 | 129.1 | 147.0 | 164.5 | 182.8 | 203.8 | 227.2 |
| Total Current Liabilities | 3,252.1 | 3,441.7 | 3,174.1 | 3,305.0 | 3,400.1 | 3,484.6 | 3,545.1 |
| Long-term Debt | 10,517.6 | 11,741.6 | 13,153.8 | 13,050.4 | 12,520.0 | 12,035.8 | 11,504.7 |
| Long-term Debt - CMCSA Finance | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Minority Interest | 1,257.2 | 1,818.4 | 2,069.3 | 2,360.6 | 2,691.3 | 3,064.1 | 3,475.1 |
| Deferred Taxes | 6,576.6 | 6,651.1 | 6,601.0 | 6,583.5 | 6,604.5 | 6,670.5 | 6,785.6 |
| Other Liabilities | 54.6 | 6.0 | (951.3) | (988.9) | (1,027.2) | (1,066.3) | (1,106.2) |
| Preferred Equity | 59.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Common Equity | 14,026.9 | 14,473.0 | 14,182.0 | 13,934.0 | 13,743.2 | 13,623.0 | 13,587.8 |
| Total Equity | 14,086.4 | 14,473.0 | 14,182.0 | 13,934.0 | 13,743.2 | 13,623.0 | 13,587.8 |
| Total Liabilities & Equity | <u>\$35,744.5</u> | <u>\$38,131.8</u> | <u>\$38,229.0</u> | <u>\$38,244.7</u> | <u>\$37,932.0</u> | <u>\$37,811.7</u> | <u>\$37,792.0</u> |

E = Morgan Stanley Research Estimates

Exhibit 124

Comcast Corporation
Revenue and Operating Cash Flow Comparison, Quarterly

(\$ Millions)

| | 2001 | | | | 2002E | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 1Q | 2Q | 3Q | 4Q | 1QE | 2QE | 3QE | 4QE |
| Cable Television Revenue | | | | | | | | |
| Analog | \$1,038.8 | \$1,138.0 | \$1,171.8 | \$1,192.9 | \$1,185.7 | \$1,244.6 | \$1,232.8 | \$1,248.4 |
| Digital Cable | 46.2 | 54.2 | 63.0 | 70.4 | 77.9 | 83.6 | 88.8 | 95.9 |
| High Speed Data | 54.5 | 63.2 | 75.0 | 91.6 | 119.4 | 110.9 | 161.7 | 185.1 |
| Total Cable Television Revenue | 1,139.5 | 1,255.4 | 1,309.8 | 1,354.9 | 1,383.0 | 1,439.1 | 1,483.3 | 1,529.4 |
| SportsNet | 13.5 | 21.7 | 17.1 | 20.0 | 23.9 | 15.9 | 15.9 | 23.9 |
| Total Cable Television Revenue | 1,153.0 | 1,277.1 | 1,326.9 | 1,374.9 | 1,407.0 | 1,455.0 | 1,499.3 | 1,553.3 |
| % Change | 17.0% | 23.9% | 24.6% | 21.0% | 22.0% | 13.9% | 13.0% | 13.0% |
| Telephony (CBC & Residential) | 9.5 | 9.6 | 11.4 | 8.1 | 9.8 | 10.3 | 11.5 | 14.3 |
| Total Cable/Telephony Revenue | \$1,162.5 | \$1,286.7 | \$1,338.3 | \$1,383.0 | \$1,416.8 | \$1,465.3 | \$1,510.8 | \$1,567.6 |
| % Change | 16.9% | 23.6% | 24.5% | 20.8% | 21.9% | 13.9% | 12.9% | 13.3% |
| Total Cable Gross Profit | \$822.9 | \$917.4 | \$959.3 | \$987.3 | \$985.8 | \$1,043.6 | \$1,084.8 | \$1,125.5 |
| Gross Profit Margin | 70.8% | 71.3% | 71.7% | 71.4% | 69.6% | 71.2% | 71.8% | 71.8% |
| Cable/Telephony EBITDA | | | | | | | | |
| Core Cable Television EBITDA | 488.0 | 549.0 | 572.4 | 583.3 | 581.0 | 635.9 | 656.1 | 685.1 |
| Video/Data Startup Losses | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Telephony EBITDA (CBC & Residential) | (35.0) | (38.8) | (32.1) | (37.9) | (10.8) | (11.3) | (14.2) | (21.8) |
| SportsNet | 3.9 | (2.8) | 2.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cable Television/Telephony EBITDA | \$456.9 | \$507.4 | \$542.9 | \$545.4 | \$570.1 | \$624.5 | \$641.9 | \$663.3 |
| % Change | 4.8% | 11.3% | 13.5% | 17.7% | 24.8% | 23.1% | 18.2% | 21.6% |
| Cable/Telephony Margins | | | | | | | | |
| Total Cable Margins excl. Telephony | 42.8% | 43.7% | 43.7% | 43.1% | 42.0% | 44.2% | 44.2% | 44.8% |
| Telephony Margins | NA | NA | NA | NA | NA | NA | NA | NA |
| Total Cable/Telephony Margins | 39.3% | 39.4% | 40.6% | 39.4% | 40.2% | 42.6% | 42.5% | 42.3% |
| QVC | | | | | | | | |
| Domestic | \$755.1 | \$756.8 | \$773.2 | \$1,088.0 | \$842.0 | \$839.8 | \$858.6 | \$1,205.7 |
| UK Revenue | 68.7 | 64.0 | 59.3 | 79.7 | 76.3 | 70.0 | 66.7 | 88.2 |
| Germany | 46.1 | 41.8 | 45.8 | 64.1 | 53.4 | 47.9 | 52.2 | 72.3 |
| Other | 14.1 | 13.4 | 16.8 | 30.4 | 16.2 | 15.4 | 19.3 | 33.4 |
| Total QVC Revenue | \$884.0 | \$876.0 | \$895.1 | \$1,262.2 | \$987.9 | \$973.1 | \$996.8 | \$1,399.8 |
| % Change | 7.7% | 13.7% | 9.1% | 12.3% | 11.8% | 11.1% | 11.4% | 10.9% |
| Cost of Goods Sold | \$556.6 | \$555.2 | \$573.9 | \$828.7 | \$622.1 | \$612.8 | \$638.6 | \$917.6 |
| Total Gross Profit | \$327.4 | \$320.8 | \$321.2 | \$433.5 | \$365.8 | \$360.3 | \$358.2 | \$482.2 |
| Gross Profit Margin | 37.0% | 36.6% | 35.9% | 34.3% | 37.0% | 37.0% | 35.9% | 34.4% |
| Domestic | \$170.6 | \$166.5 | \$157.8 | \$231.5 | \$190.2 | \$187.8 | \$178.6 | \$260.2 |
| UK | 5.5 | 3.2 | 4.0 | 12.4 | 9.1 | 8.4 | 6.0 | 10.9 |
| Germany | (0.8) | (2.7) | (2.5) | (1.0) | (0.8) | (2.7) | (2.5) | (0.3) |
| Other | (2.6) | (7.2) | (5.6) | (6.8) | (2.6) | (7.2) | (5.6) | (14.6) |
| Total QVC Operating Cash Flow | \$172.7 | \$159.8 | \$153.7 | \$236.1 | \$195.9 | \$186.3 | \$176.5 | \$256.1 |
| Cash Flow Margin | 19.5% | 18.2% | 17.2% | 18.7% | 19.8% | 19.1% | 17.7% | 18.3% |
| % Change | 19.3% | 19.3% | 10.3% | 17.3% | 13.4% | 16.6% | 14.8% | 8.5% |
| % Change (excluding Other/Japan) | 21.1% | 25.5% | 13.4% | 20.1% | 13.2% | 15.9% | 14.3% | 11.4% |
| Total Content | | | | | | | | |
| Revenues | \$167.6 | \$156.4 | \$142.4 | \$199.2 | \$217.0 | \$196.9 | \$186.0 | \$212.3 |
| Operating Cash Flow | 35.3 | 51.5 | 31.5 | 41.0 | 51.0 | 46.0 | 50.9 | 74.1 |
| Operating Cash Flow Margin | 21.1% | 32.9% | 22.1% | 20.6% | 23.5% | 23.4% | 27.3% | 34.9% |
| Eliminations, Corporate, and Other | | | | | | | | |
| Eliminations & Other | (\$18.0) | (\$20.6) | (\$20.3) | (\$20.3) | (\$9.1) | (\$9.1) | (\$9.1) | (\$9.1) |
| Corporate Overhead & Other | (24.0) | (18.3) | (22.3) | (167.8) | (32.5) | (32.5) | (32.5) | (32.5) |
| Total Revenue | \$2,196.1 | \$2,298.5 | \$2,355.5 | \$2,824.1 | \$2,612.5 | \$2,626.1 | \$2,684.5 | \$3,170.6 |
| Total Operating Cash Flow | 640.9 | 700.4 | 705.8 | 654.7 | 784.5 | 824.4 | 836.8 | 961.0 |
| Operating Cash Flow Margin | 29.2% | 30.5% | 30.0% | 23.2% | 30.0% | 31.4% | 31.2% | 30.3% |

E= Morgan Stanley Research Estimates

Broadband Cable Television - April 5, 2002

Please see the important disclosures at the end of this report.

Exhibit 125
Comcast Corporation
Revenue and Operating Cash Flow Comparison, 2000-2006E

(\$ Millions)

| | 2000 | 2001 | Pro Forma | | 2002E | 2003E | 2004E | 2005E | 2006E |
|---|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | | 2000 | 2001 | | | | | |
| Cable Television Revenue | | | | | | | | | |
| Analog | \$3,958.7 | \$4,541.4 | \$4,493.2 | \$4,671.4 | \$4,911.4 | \$5,232.5 | \$5,583.2 | \$5,959.3 | \$6,361.0 |
| Digital Cable | 114.4 | 233.9 | 136.9 | 244.9 | 346.4 | 446.4 | 544.1 | 640.0 | 732.5 |
| High Speed Data | 114.6 | 284.3 | 134.1 | 300.5 | 577.1 | 912.8 | 1,207.7 | 1,529.6 | 1,881.8 |
| Total Cable Television Revenue | \$4,187.7 | \$5,059.6 | \$4,764.2 | \$5,216.9 | \$5,834.9 | \$6,591.7 | \$7,334.9 | \$8,128.8 | \$8,975.3 |
| SportsNet | \$0.0 | \$72.3 | \$78.9 | \$72.3 | \$79.7 | \$85.2 | \$91.3 | \$97.7 | \$103.8 |
| Total Cable Television Revenue | \$4,187.7 | \$5,131.9 | \$4,843.1 | \$5,289.2 | \$5,914.6 | \$6,676.9 | \$7,426.2 | \$8,226.5 | \$9,079.1 |
| % Change | | 22.5% | | 9.2% | 11.8% | 12.9% | 11.2% | 10.8% | 10.4% |
| Telephony (CBC & Residential) | 39.2 | 38.6 | 39.2 | 38.6 | 45.9 | 80.2 | 168.5 | 372.0 | 687.5 |
| Total Cable/Telephony Revenue | \$4,226.9 | \$5,170.5 | \$4,882.3 | \$5,327.8 | \$5,960.5 | \$6,757.1 | \$7,594.7 | \$8,598.5 | \$9,766.6 |
| % Change | 42.7% | 22.3% | 12.3% | 9.1% | 11.9% | 13.4% | 12.4% | 13.2% | 13.6% |
| Total Cable Gross Profit | \$3,077.1 | \$3,686.9 | \$3,507.9 | \$3,808.2 | \$4,239.7 | \$4,813.8 | \$5,344.2 | \$5,906.2 | \$6,501.5 |
| Gross Profit Margin | 72.8% | 71.3% | 71.8% | 71.5% | 71.1% | 71.2% | 70.4% | 68.7% | 66.6% |
| Cable/Telephony EBITDA | | | | | | | | | |
| Core Cable Television EBITDA | 1,900.0 | 2,192.7 | 2,005.1 | 2,247.6 | 2,558.1 | 2,921.6 | 3,287.3 | 3,667.8 | 4,077.0 |
| Video/Data Startup Losses | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Telephony EBITDA (CBC & Residential) | (70.1) | (143.8) | (70.1) | (143.8) | (58.2) | (60.2) | (48.3) | (0.1) | 118.3 |
| SportsNet | 0.0 | 3.7 | 4.0 | 3.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cable Television/Telephony EBITDA | \$1,829.9 | \$2,052.6 | \$1,939.0 | \$2,107.5 | \$2,499.9 | \$2,861.4 | \$3,239.1 | \$3,667.7 | \$4,195.3 |
| % Change | 35.2% | 12.2% | 9.3% | 8.7% | 18.6% | 14.5% | 13.2% | 13.2% | 14.4% |
| Cable/Telephony Margins | | | | | | | | | |
| Total Cable Margins excl. Telephony | 45.4% | 43.3% | 42.1% | 43.1% | 43.8% | 44.3% | 44.8% | 45.1% | 45.4% |
| Telephony Margins | NM | NM | NM | NM | NM | NM | NM | NM | 17.2% |
| Total Cable/Telephony Margins | 43.3% | 39.7% | 39.7% | 39.6% | 41.9% | 42.3% | 42.6% | 42.7% | 43.0% |
| QVC | | | | | | | | | |
| Domestic | \$3,050.8 | \$3,373.1 | \$3,050.8 | \$3,373.1 | \$3,746.2 | \$4,120.9 | \$4,513.1 | \$4,929.2 | \$5,371.7 |
| UK Revenue | 300.8 | 271.7 | 300.8 | 271.7 | 301.2 | 328.6 | 350.1 | 369.9 | 392.4 |
| Germany | 137.6 | 197.8 | 137.6 | 197.8 | 225.8 | 262.7 | 297.8 | 331.4 | 362.2 |
| Other | 46.7 | 74.7 | 46.7 | 74.7 | 84.4 | 94.4 | 104.5 | 114.5 | 124.3 |
| Total QVC Revenue | \$3,535.9 | \$3,917.3 | \$3,535.9 | \$3,917.3 | \$4,357.6 | \$4,806.7 | \$5,265.4 | \$5,745.1 | \$6,250.6 |
| % Change | 11.6% | 10.8% | 11.6% | 10.8% | 11.2% | 10.3% | 9.5% | 9.1% | 8.8% |
| Cost of Goods Sold | \$2,287.6 | \$2,514.4 | \$2,287.6 | \$2,514.4 | \$2,791.0 | \$3,069.9 | \$3,363.1 | \$3,687.4 | \$4,031.2 |
| Total Gross Profit | \$1,248.3 | \$1,402.9 | \$1,248.3 | \$1,402.9 | \$1,566.5 | \$1,736.8 | \$1,902.4 | \$2,057.7 | \$2,219.4 |
| Gross Profit Margin | 35.3% | 35.8% | 35.3% | 35.8% | 35.9% | 36.1% | 36.1% | 35.8% | 35.5% |
| Domestic | \$612.4 | \$726.4 | \$612.4 | \$726.4 | \$816.8 | \$902.3 | \$991.4 | \$1,070.0 | \$1,151.7 |
| UK | 20.2 | 25.1 | 20.2 | 25.1 | 34.4 | 39.0 | 42.9 | 47.6 | 53.0 |
| Germany | (12.0) | (7.0) | (12.0) | (7.0) | (6.3) | 13.2 | 23.6 | 34.1 | 44.3 |
| Other | (1.4) | (22.2) | (1.4) | (22.2) | (30.0) | (19.3) | (12.0) | 9.2 | 11.8 |
| Total QVC Operating Cash Flow | \$619.2 | \$722.3 | \$619.2 | \$722.3 | \$814.8 | \$935.3 | \$1,045.8 | \$1,160.9 | \$1,260.8 |
| Cash Flow Margin | 17.5% | 18.4% | 17.5% | 18.4% | 18.7% | 19.5% | 19.9% | 20.2% | 20.2% |
| % Change | 14.8% | 16.7% | 14.8% | 16.7% | 12.8% | 14.8% | 11.8% | 11.0% | 8.6% |
| % Change (excluding Other/Japan) | 16.0% | 20.0% | 16.0% | 20.0% | 13.5% | 13.0% | 10.8% | 8.9% | 8.4% |
| Total Content | | | | | | | | | |
| Revenues | \$481.1 | \$665.6 | \$632.6 | \$742.7 | \$812.2 | \$885.2 | \$975.8 | \$1,075.2 | \$1,169.7 |
| Operating Cash Flow | 102.9 | 159.3 | 130.3 | 189.3 | 222.0 | 255.5 | 297.5 | 344.3 | 390.0 |
| Operating Cash Flow Margin | 21.4% | 23.9% | 20.6% | 25.5% | 27.3% | 28.9% | 30.5% | 32.0% | 33.3% |
| Eliminations, Corporate, and Other | | | | | | | | | |
| Eliminations & Other | (\$54.0) | (\$79.2) | (\$37.7) | (\$53.9) | (\$36.5) | (\$40.4) | (\$45.2) | (\$50.5) | (\$55.1) |
| Corporate Overhead & Other | (85.4) | (232.4) | (80.8) | (228.5) | (130.0) | (105.0) | (110.3) | (115.8) | (121.6) |
| Total Revenue | \$8,189.9 | \$9,674.2 | \$9,013.1 | \$9,933.9 | \$11,093.7 | \$12,408.6 | \$13,790.7 | \$15,368.4 | \$17,131.8 |
| Total Operating Cash Flow | 2,466.6 | 2,701.8 | 2,607.7 | 2,790.6 | 3,406.7 | 3,947.2 | 4,472.2 | 5,057.1 | 5,724.6 |
| Operating Cash Flow Margin | 30.1% | 27.9% | 28.9% | 28.1% | 30.7% | 31.8% | 32.4% | 32.9% | 33.4% |

E= Morgan Stanley Research Estimates

Broadband Cable Television – April 5, 2002

Please see the important disclosures at the end of this report.

Exhibit 126

Comcast Corporation
Cable Television Operations, Quarterly

(\$ Million except per data)

| | 2001 | | | | 2002E | | | |
|---|------------|------------|------------|------------|------------|------------|------------|------------|
| | 1Q | 2Q | 3Q | 4Q | 1QE | 2QE | 3QE | 4QE |
| Homes Passed | 12,544,300 | 13,472,500 | 13,856,500 | 13,928,500 | 13,980,732 | 14,032,964 | 14,085,196 | 14,137,428 |
| % Change | 9.6% | 16.6% | 10.5% | 9.9% | 11.5% | 4.2% | 1.7% | 1.5% |
| Basic Subscribers | 7,732,600 | 8,306,500 | 8,437,000 | 8,471,000 | 8,503,400 | 8,511,500 | 8,519,600 | 8,552,000 |
| % Change | 8.8% | 16.8% | 12.1% | 11.4% | 10.0% | 2.5% | 1.0% | 1.0% |
| Homes Passed Penetration | 61.6% | 61.7% | 60.9% | 60.8% | 60.8% | 60.7% | 60.5% | 60.5% |
| Premium Subscriptions | 6,309,098 | 6,752,280 | 6,832,063 | 6,823,070 | 6,754,236 | 6,732,805 | 6,718,307 | 6,708,675 |
| % Change | 9.1% | 17.0% | 11.8% | 10.5% | 7.1% | -0.3% | -1.7% | -1.7% |
| Basic Subscriber Penetration | 81.6% | 81.3% | 81.0% | 80.5% | 79.4% | 79.1% | 78.9% | 78.4% |
| Digital Subscriptions | 1,555,400 | 1,840,100 | 2,122,000 | 2,335,800 | 2,498,300 | 2,641,300 | 2,816,800 | 2,996,885 |
| % Change | 101.9% | 95.1% | 87.2% | 72.5% | 60.6% | 43.5% | 32.7% | 28.3% |
| Homes Passed Penetration | 12.4% | 13.7% | 15.3% | 16.8% | 17.9% | 18.8% | 20.0% | 21.2% |
| Basic Subscriber Penetration | 20.1% | 22.2% | 25.2% | 27.6% | 29.4% | 31.0% | 33.1% | 35.0% |
| Premium Subscriber Penetration | 24.7% | 27.3% | 31.1% | 34.2% | 37.0% | 39.2% | 41.9% | 44.7% |
| HSCDS Subscribers | 542,100 | 675,600 | 792,700 | 948,000 | 1,042,250 | 1,185,250 | 1,354,250 | 1,525,850 |
| % Change | 177.7% | 184.8% | 161.1% | 137.0% | 92.3% | 75.4% | 70.8% | 61.0% |
| Homes Passed Penetration | 4.3% | 5.0% | 5.7% | 6.8% | 7.5% | 8.4% | 9.6% | 10.8% |
| Basic Subscriber Penetration | 7.0% | 8.1% | 9.4% | 11.2% | 12.3% | 13.9% | 15.9% | 17.8% |
| Monthly Reg. Rev. per Basic Sub. | \$34.79 | \$35.70 | \$36.10 | \$36.30 | \$36.28 | \$37.53 | \$37.53 | \$37.53 |
| % Change | 1.4% | 2.8% | 4.9% | 4.8% | 4.3% | 5.1% | 4.0% | 3.4% |
| Monthly Reg. & Unreg. Rev. per Basic Sub. | \$44.88 | \$46.72 | \$46.37 | \$47.03 | \$46.57 | \$48.76 | \$48.26 | \$48.75 |
| % Change | 1.6% | 2.7% | 3.2% | 1.4% | 3.7% | 4.4% | 4.1% | 3.6% |
| Monthly Digital Video Rev. per Digital Sub. | \$10.59 | \$10.65 | \$10.60 | \$10.53 | \$10.75 | \$10.85 | \$10.85 | \$11.00 |
| % Change | 5.9% | 6.5% | 6.0% | 2.6% | 1.5% | 1.9% | 2.4% | 4.5% |
| Monthly @Home Rev. per @Home Sub. | 38.57 | 33.71 | 34.05 | 35.08 | 40.00 | 42.00 | 42.46 | 42.85 |
| % Change | -10.1% | -15.9% | -8.5% | 0.9% | 3.7% | 24.6% | 24.7% | 22.1% |
| Regulated Analog Revenues | \$805.2 | \$869.4 | \$912.4 | \$920.8 | \$923.8 | \$957.9 | \$958.8 | \$961.1 |
| % Change | 10.4% | 17.4% | 19.5% | 17.0% | 14.7% | 10.2% | 5.1% | 4.4% |
| Premium and Non-regulated Revenues | 233.6 | 268.6 | 259.4 | 272.1 | 261.9 | 286.7 | 274.0 | 287.3 |
| % Change | 11.5% | 16.8% | 11.4% | 2.2% | 12.1% | 6.8% | 5.6% | 5.6% |
| Digital Video Revenues | 46.2 | 54.2 | 63.0 | 70.4 | 77.9 | 83.6 | 88.8 | 95.9 |
| % Change | 139.6% | 111.1% | 102.2% | 83.8% | 68.7% | 54.2% | 41.0% | 36.2% |
| HSCDS Revenues | 54.5 | 63.2 | 75.0 | 91.6 | 119.4 | 110.9 | 161.7 | 185.1 |
| % Change | 151.2% | 143.1% | 148.3% | 149.6% | 119.1% | 75.4% | 115.6% | 102.1% |
| Total Revenue | \$1,139.5 | \$1,255.4 | \$1,309.8 | \$1,354.9 | \$1,383.0 | \$1,439.1 | \$1,483.3 | \$1,529.4 |
| % Change | 16.3% | 22.8% | 23.8% | 20.1% | 21.4% | 14.6% | 13.2% | 12.9% |

E= Morgan Stanley Research Estimates

Exhibit 127

Comcast Corporation
Cable Television Operations, Quarterly (continued)

(\$ Million except per data)

| | 2001 | | | | 2002E | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 1Q | 2Q | 3Q | 4Q | 1QE | 2QE | 3QE | 4QE |
| Total Revenue | \$1,139.5 | \$1,255.4 | \$1,309.8 | \$1,354.9 | \$1,383.0 | \$1,439.1 | \$1,483.3 | \$1,529.4 |
| % Change | 16.3% | 22.8% | 23.8% | 20.1% | 21.4% | 14.6% | 13.2% | 12.9% |
| Analog Programming Costs | \$290.0 | \$305.5 | \$311.7 | \$318.7 | \$344.3 | \$343.8 | \$338.6 | \$345.7 |
| % of Total Analog Revenue | 25.5% | 24.3% | 23.8% | 23.5% | 24.9% | 23.9% | 22.8% | 22.6% |
| Digital Prog. & Direct Costs | 9.2 | 10.8 | 12.6 | 14.1 | 17.1 | 18.4 | 19.5 | 21.1 |
| % of Total Digital Revenue | 20.0% | 20.0% | 20.0% | 20.0% | 22.0% | 22.0% | 22.0% | 22.0% |
| HSCDS Direct Operating Costs | 17.3 | 21.7 | 26.2 | 34.8 | 35.8 | 33.3 | 40.4 | 37.0 |
| % of Total HSCDS Revenue | 31.8% | 34.3% | 35.0% | 38.0% | 30.0% | 30.0% | 25.0% | 20.0% |
| Total Programming and Direct Costs | 316.6 | 338.0 | 350.5 | 367.6 | 397.3 | 395.5 | 398.6 | 403.9 |
| % of Total Revenue | 27.8% | 26.9% | 26.8% | 27.1% | 28.7% | 27.5% | 26.9% | 26.4% |
| Analog Service Gross Profit | 748.8 | 832.5 | 860.1 | 874.2 | 841.4 | 900.8 | 894.2 | 902.6 |
| % of Total Analog Revenue | 72.1% | 73.2% | 73.4% | 73.3% | 71.0% | 72.4% | 72.5% | 72.3% |
| Digital Service Gross Profit | 37.0 | 43.4 | 50.4 | 56.3 | 60.8 | 65.2 | 69.3 | 74.8 |
| % of Total Digital Revenue | 80.0% | 80.0% | 80.0% | 80.0% | 78.0% | 78.0% | 78.0% | 78.0% |
| HSCDS Gross Profit | 37.2 | 41.5 | 48.8 | 56.8 | 83.6 | 77.6 | 121.3 | 148.1 |
| % of Total HSCDS Revenue | 68.2% | 65.7% | 65.0% | 62.0% | 70.0% | 70.0% | 75.0% | 80.0% |
| Total Gross Profit | 822.9 | 917.4 | 959.3 | 987.3 | 985.8 | 1,043.6 | 1,084.8 | 1,125.5 |
| % of Total Revenue | 72.2% | 73.1% | 73.2% | 72.9% | 71.3% | 72.5% | 73.1% | 73.6% |
| % Change | 15.0% | 22.2% | 23.5% | 18.4% | 19.8% | 13.8% | 13.1% | 14.0% |
| Other Operating Costs | 135.4 | 162.5 | 169.5 | 166.3 | 166.5 | 168.0 | 169.3 | 170.0 |
| % of Total Revenues | 11.9% | 12.9% | 12.9% | 12.3% | 12.0% | 11.7% | 11.4% | 11.1% |
| Marketing Costs | 39.9 | 43.9 | 45.8 | 47.4 | 48.4 | 57.6 | 66.8 | 68.8 |
| % of Total Revenues | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 4.0% | 4.5% | 4.5% |
| Gen. & Admin. Costs | 159.7 | 162.0 | 171.5 | 190.3 | 189.9 | 182.1 | 192.6 | 201.6 |
| % of Total Revenues | 14.0% | 12.9% | 13.1% | 14.0% | 13.7% | 12.7% | 13.0% | 13.2% |
| Operating Costs | 651.5 | 706.4 | 737.4 | 771.6 | 802.1 | 803.2 | 827.2 | 844.3 |
| % of Revenues | 57.2% | 56.3% | 56.3% | 56.9% | 58.0% | 55.8% | 55.8% | 55.2% |
| EBITDA incl. New Serv. Start-up Losses | \$488.0 | \$549.0 | \$572.4 | \$583.3 | \$581.0 | \$635.9 | \$656.1 | \$685.1 |
| Operating Margin | 42.8% | 43.7% | 43.7% | 43.1% | 42.0% | 44.2% | 44.2% | 44.8% |
| % Change | 11.6% | 17.4% | 16.8% | 15.5% | 19.0% | 15.8% | 14.6% | 17.5% |

E = Morgan Stanley Research Estimates

Broadband Cable Television – April 5, 2002

Please see the important disclosures at the end of this report.

Exhibit 128

Comcast Corporation

Pro Forma Consolidated Cable Television Operations, 2000-2006E

(\$ Million except per data)

| | Actual | | Pro Forma | | 2002E | 2003E | 2004E | 2005E | 2006E |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2000 | 2001 | 2000 | 2001 | | | | | |
| Homes Passed | 12,679,300 | 13,928,500 | 13,558,321 | 13,928,500 | 14,137,428 | 14,349,489 | 14,564,731 | 14,783,202 | 15,004,950 |
| % Change | 33.8% | 9.9% | 1.8% | 2.7% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% |
| Basic Subscribers | 7,606,800 | 8,471,000 | 8,386,884 | 8,471,000 | 8,552,000 | 8,632,000 | 8,711,000 | 8,789,000 | 8,866,000 |
| % Change | 33.0% | 11.4% | 2.2% | 1.0% | 1.0% | 0.9% | 0.9% | 0.9% | 0.9% |
| Homes Passed Penetration | 60.0% | 60.8% | 61.9% | 60.8% | 60.5% | 60.2% | 59.8% | 59.5% | 59.1% |
| Premium Subscriptions | 6,177,291 | 6,763,647 | 6,753,291 | 6,763,647 | 6,708,675 | 6,651,058 | 6,585,662 | 6,507,294 | 6,420,312 |
| % Change | 32.4% | 9.5% | 2.1% | 0.2% | -0.8% | -0.9% | -1.0% | -1.2% | -1.3% |
| Basic Subscriber Penetration | 81.2% | 79.8% | 80.5% | 79.8% | 78.4% | 77.1% | 75.6% | 74.0% | 72.4% |
| Digital Subscriptions | 1,354,100 | 2,335,800 | 1,519,900 | 2,335,800 | 2,996,885 | 3,548,676 | 4,049,286 | 4,462,629 | 4,815,544 |
| % Change | 162.8% | 72.5% | 174.2% | 53.7% | 28.3% | 18.4% | 14.1% | 10.2% | 7.9% |
| Homes Passed Penetration | 10.7% | 16.8% | 11.2% | 16.8% | 21.2% | 24.7% | 27.8% | 30.2% | 32.1% |
| Basic Subscriber Penetration | 17.8% | 27.6% | 18.1% | 27.6% | 35.0% | 41.1% | 46.5% | 50.8% | 54.3% |
| Premium Subscriber Penetration | 21.9% | 34.5% | 22.5% | 34.5% | 44.7% | 53.4% | 61.5% | 68.6% | 75.0% |
| HSCDS Subscribers | 400,000 | 948,000 | 479,400 | 948,000 | 1,525,850 | 2,145,145 | 2,766,664 | 3,499,393 | 4,248,817 |
| % Change | 181.9% | 137.0% | 201.5% | 97.7% | 61.0% | 40.6% | 29.0% | 26.5% | 21.4% |
| Homes Passed Penetration | 3.2% | 6.8% | 3.5% | 6.8% | 10.8% | 14.9% | 19.0% | 23.7% | 28.3% |
| Basic Subscriber Penetration | 5.3% | 11.2% | 5.7% | 11.2% | 17.8% | 24.9% | 31.8% | 39.8% | 47.9% |
| Monthly Reg. Rev. per Basic Sub. | \$34.53 | \$35.74 | \$34.49 | \$35.77 | \$37.22 | \$39.08 | \$41.04 | \$43.09 | \$45.24 |
| % Change | 2.3% | 3.5% | 4.8% | 3.7% | 4.1% | 5.0% | 5.0% | 5.0% | 5.0% |
| Monthly Reg. & Unreg. Rev. per Basic Sub. | \$45.26 | \$46.28 | \$45.12 | \$46.18 | \$48.09 | \$50.75 | \$53.65 | \$56.75 | \$60.05 |
| % Change | 2.2% | 2.2% | 4.2% | 2.3% | 4.1% | 5.5% | 5.7% | 5.8% | 5.8% |
| Monthly Digital Video Rev. per Digital Sub. | \$10.09 | \$10.59 | \$11.00 | \$10.59 | \$10.87 | \$11.37 | \$11.93 | \$12.53 | \$13.16 |
| % Change | -2.8% | 5.0% | 21.6% | -3.7% | 2.7% | 4.6% | 5.0% | 5.0% | 5.0% |
| Monthly @Home Rev. per @Home Sub. | \$37.94 | \$35.09 | \$35.00 | \$35.09 | \$41.96 | \$41.44 | \$40.98 | \$40.68 | \$40.48 |
| % Change | -5.4% | -7.5% | -7.7% | 0.3% | 19.6% | -1.2% | -1.1% | -0.7% | -0.5% |
| Regulated Analog Revenues | \$3,020.2 | \$3,507.8 | \$3,434.4 | \$3,617.7 | \$3,801.6 | \$4,029.4 | \$4,270.0 | \$4,524.1 | \$4,792.4 |
| % Change | 38.8% | 16.1% | 6.8% | 5.3% | 5.1% | 6.0% | 6.0% | 6.0% | 5.9% |
| Premium and Non-regulated Revenues | 938.5 | 1,033.6 | 1,058.9 | 1,053.7 | 1,109.8 | 1,203.1 | 1,313.1 | 1,435.1 | 1,568.6 |
| % Change | 38.6% | 10.1% | 4.1% | -0.5% | 5.3% | 8.4% | 9.1% | 9.3% | 9.3% |
| Digital Video Revenues | 114.4 | 233.9 | 136.9 | 244.9 | 346.4 | 446.4 | 544.1 | 640.0 | 732.5 |
| % Change | 268.7% | 104.4% | 338.4% | 78.9% | 41.4% | 28.9% | 21.9% | 17.6% | 14.5% |
| HSCDS Revenues | 114.6 | 284.3 | 134.1 | 300.5 | 577.1 | 912.8 | 1,207.7 | 1,529.6 | 1,881.8 |
| % Change | 154.4% | 148.1% | 168.9% | 124.2% | 92.0% | 58.2% | 32.3% | 26.7% | 23.0% |
| Total Revenue | \$4,187.7 | \$5,059.6 | \$4,764.2 | \$5,216.9 | \$5,834.9 | \$6,591.7 | \$7,334.9 | \$8,128.8 | \$8,975.3 |
| % Change | 43.0% | 20.8% | 14.8% | 9.5% | 11.8% | 13.0% | 11.3% | 10.8% | 10.4% |

E = Morgan Stanley Research Estimates

Broadband Cable Television – April 5, 2002

Please see the important disclosures at the end of this report.

Exhibit 129

Comcast Corporation

Pro Forma Consolidated Cable Television Operations, 2000-2006E (continued)

(\$ Million except per data)

| | Actual | | Pro Forma | | 2002E | 2003E | 2004E | 2005E | 2006E |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2000 | 2001 | 2000 | 2001 | | | | | |
| Total Revenue | \$4,187.7 | \$5,059.6 | \$4,764.2 | \$5,216.9 | \$5,834.9 | \$6,591.7 | \$7,334.9 | \$8,128.8 | \$8,975.3 |
| % Change | 43.0% | 20.8% | 14.8% | 9.5% | 11.8% | 13.0% | 11.3% | 10.8% | 10.4% |
| Analog Programming Costs | 1,055.6 | 1,225.9 | 1,188.9 | 1,261.9 | 1,372.4 | 1,488.2 | 1,607.7 | 1,737.5 | 1,877.7 |
| % of Total Analog Revenue | 25.2% | 24.2% | 25.0% | 24.2% | 23.5% | 22.6% | 21.9% | 21.4% | 20.9% |
| Digital Prog. & Direct Costs | 17.2 | 46.8 | 29.5 | 46.8 | 76.2 | 107.1 | 141.5 | 179.2 | 219.7 |
| % of Total Digital Revenue | 15.0% | 20.0% | 21.6% | 19.1% | 22.0% | 24.0% | 26.0% | 28.0% | 30.0% |
| HSCDS Direct Operating Costs | 37.9 | 100.0 | 37.9 | 100.0 | 146.5 | 182.6 | 241.5 | 305.9 | 376.4 |
| % of Total HSCDS Revenue | 33.1% | 35.2% | 28.3% | 33.3% | 25.4% | 20.0% | 20.0% | 20.0% | 20.0% |
| Total Programming and Direct Costs | 1,110.6 | 1,372.7 | 1,256.3 | 1,408.7 | 1,595.2 | 1,777.9 | 1,990.7 | 2,222.6 | 2,473.8 |
| % of Total Revenue | 26.5% | 27.1% | 26.4% | 27.0% | 27.3% | 27.0% | 27.1% | 27.3% | 27.6% |
| Analog Service Gross Profit | 2,903.1 | 3,315.5 | 3,304.3 | 3,409.5 | 3,539.0 | 3,744.3 | 3,975.5 | 4,221.7 | 4,483.3 |
| % of Total Analog Revenue | 73.3% | 73.0% | 73.5% | 73.0% | 72.1% | 71.6% | 71.2% | 70.8% | 70.5% |
| Digital Service Gross Profit | 97.3 | 187.1 | 107.4 | 198.2 | 270.2 | 339.3 | 402.6 | 460.8 | 512.7 |
| % of Total Digital Revenue | 85.0% | 80.0% | 78.4% | 80.9% | 78.0% | 76.0% | 74.0% | 72.0% | 70.0% |
| HSCDS Gross Profit | 76.7 | 184.3 | 96.2 | 200.5 | 430.6 | 730.2 | 966.2 | 1,223.6 | 1,505.5 |
| % of Total HSCDS Revenue | 66.9% | 64.8% | 71.7% | 66.7% | 74.6% | 80.0% | 80.0% | 80.0% | 80.0% |
| Total Gross Profit | 3,077.1 | 3,686.9 | 3,507.9 | 3,808.2 | 4,239.7 | 4,813.8 | 5,344.2 | 5,906.2 | 6,501.5 |
| % of Total Revenue | 73.5% | 72.9% | 73.6% | 73.0% | 72.7% | 73.0% | 72.9% | 72.7% | 72.4% |
| % Change | 41.9% | 19.8% | 9.1% | 8.6% | 11.3% | 13.5% | 11.0% | 10.5% | 10.1% |
| Other Operating Costs | 467.7 | 633.7 | 460.0 | 554.8 | 673.8 | 747.9 | 789.0 | 835.1 | 881.1 |
| % of Total Revenues | 11.2% | 12.5% | 9.7% | 10.6% | 11.5% | 11.3% | 10.8% | 10.3% | 9.8% |
| Marketing Costs | 152.2 | 177.1 | 166.7 | 195.6 | 241.5 | 263.7 | 293.4 | 325.2 | 359.0 |
| % of Total Revenues | 3.6% | 3.5% | 3.5% | 3.8% | 4.1% | 4.0% | 4.0% | 4.0% | 4.0% |
| Gen. & Admin. Costs | 557.2 | 683.4 | 876.0 | 810.2 | 766.2 | 880.6 | 974.5 | 1,078.1 | 1,184.4 |
| % of Total Revenues | 13.3% | 13.5% | 18.4% | 15.5% | 13.1% | 13.4% | 13.3% | 13.3% | 13.2% |
| Operating Costs | \$2,287.7 | \$2,866.9 | \$2,759.1 | \$2,969.2 | \$3,276.8 | \$3,670.1 | \$4,047.6 | \$4,461.0 | \$4,898.3 |
| % of Revenues | 54.6% | 56.7% | 57.9% | 56.9% | 56.2% | 55.7% | 55.2% | 54.9% | 54.6% |
| EBITDA incl. New Serv. Start-up Losses | \$1,900.0 | \$2,192.7 | \$2,005.1 | \$2,247.6 | \$2,558.1 | \$2,921.6 | \$3,287.3 | \$3,667.8 | \$4,077.0 |
| Operating Margin | 45.4% | 43.3% | 42.1% | 43.1% | 43.8% | 44.3% | 44.8% | 45.1% | 45.4% |
| % Change | 40.2% | 15.4% | 12.9% | 12.1% | 13.8% | 14.2% | 12.5% | 11.6% | 11.2% |

E = Morgan Stanley Research Estimates

Exhibit 130

Comcast Corporation

QVC Operating Model, Quarterly

| (\$ Millions) | 2001 | | | | 2002E | | | |
|--|----------------|----------------|----------------|------------------|----------------|----------------|----------------|------------------|
| | Q1 | Q2 | Q3 | Q4 | Q1E | Q2E | Q3E | Q4E |
| Revenues | | | | | | | | |
| Domestic | \$755.1 | \$756.8 | \$773.2 | \$1,088.0 | \$842.0 | \$839.8 | \$858.6 | \$1,205.7 |
| United Kingdom | 68.7 | 64.0 | 59.3 | 79.7 | 76.3 | 70.0 | 66.7 | 88.2 |
| Germany | 46.1 | 41.8 | 45.8 | 64.1 | 53.4 | 47.9 | 52.2 | 72.3 |
| Japan/Other | 14.1 | 13.4 | 16.8 | 30.4 | 16.2 | 15.4 | 19.3 | 33.4 |
| Total Revenue | \$884.0 | \$876.0 | \$895.1 | \$1,262.2 | \$987.9 | \$973.1 | \$996.8 | \$1,399.8 |
| Revenue Breakdown | | | | | | | | |
| Domestic | 85.4% | 86.4% | 86.4% | 86.2% | 85.2% | 86.3% | 86.1% | 86.1% |
| United Kingdom | 7.8% | 7.3% | 6.6% | 6.3% | 7.7% | 7.2% | 6.7% | 6.3% |
| Germany | 5.2% | 4.8% | 5.1% | 5.1% | 5.4% | 4.9% | 5.2% | 5.2% |
| Japan/Other | 1.6% | 1.5% | 1.9% | 2.4% | 1.6% | 1.6% | 1.9% | 2.4% |
| Total Revenue | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Revenue Growth | | | | | | | | |
| Domestic | 8.4% | 15.0% | 8.8% | 10.4% | 11.5% | 11.0% | 11.0% | 10.8% |
| United Kingdom | -13.0% | -10.5% | -10.2% | -5.5% | 11.1% | 9.3% | 12.5% | 10.7% |
| Germany | 33.2% | 40.7% | 35.1% | 62.7% | 15.8% | 14.6% | 13.9% | 12.8% |
| Japan/Other | 31.8% | 16.5% | 69.7% | 108.2% | 15.0% | 15.0% | 15.0% | 10.0% |
| Total Revenue | 7.7% | 13.7% | 9.1% | 12.3% | 11.8% | 11.1% | 11.4% | 10.9% |
| Gross Profit | | | | | | | | |
| Domestic | \$283.2 | \$281.5 | \$279.1 | \$371.0 | \$312.6 | \$312.4 | \$310.0 | \$411.2 |
| United Kingdom | 24.0 | 22.0 | 20.9 | 30.6 | 29.3 | 26.9 | 23.5 | 33.9 |
| Germany | 13.3 | 11.9 | 14.2 | 19.9 | 16.0 | 14.8 | 16.7 | 23.9 |
| Japan/Other | 6.9 | 5.4 | 7.0 | 12.0 | 7.9 | 6.2 | 8.1 | 13.2 |
| Total Gross Margins | \$327.4 | \$320.8 | \$321.2 | \$433.5 | \$365.8 | \$360.3 | \$358.2 | \$482.2 |
| Operating Cash Flow | | | | | | | | |
| Domestic | \$170.6 | \$166.5 | \$157.8 | \$231.5 | \$190.2 | \$187.8 | \$178.6 | \$260.2 |
| United Kingdom | 5.5 | 3.2 | 4.0 | 12.4 | 9.1 | 8.4 | 6.0 | 10.9 |
| Germany | (0.8) | (2.7) | (2.5) | (1.0) | (0.8) | (2.7) | (2.5) | (0.3) |
| Japan/Other | (2.6) | (7.2) | (5.6) | (6.8) | (2.6) | (7.2) | (5.6) | (14.6) |
| Total Operating Cash Flow | \$172.7 | \$159.8 | \$153.7 | \$236.1 | \$195.9 | \$186.3 | \$176.5 | \$256.1 |
| EBITDA Margins | | | | | | | | |
| Domestic | 22.6% | 22.0% | 20.4% | 21.3% | 22.6% | 22.4% | 20.8% | 21.6% |
| United Kingdom | 8.0% | 5.0% | 6.7% | 15.6% | 11.9% | 12.0% | 9.0% | 12.3% |
| Germany | -1.7% | -6.5% | -5.5% | -1.6% | -1.5% | -5.6% | -4.8% | -0.5% |
| Japan/Other | -18.4% | -53.7% | -33.3% | -22.4% | -16.0% | -46.7% | -29.0% | -43.7% |
| Total EBITDA Margins | 19.5% | 18.2% | 17.2% | 18.7% | 19.8% | 19.1% | 17.7% | 18.3% |
| EBITDA Growth | | | | | | | | |
| Domestic | 22.2% | 22.6% | 11.7% | 18.3% | 11.5% | 12.8% | 13.2% | 12.4% |
| United Kingdom | -31.3% | 60.0% | 53.8% | 63.2% | 65.1% | 163.4% | 49.7% | -12.3% |
| Germany | NM | NM | NM | NM | NM | NM | NM | NM |
| Japan/Other | NM | NM | NM | NM | NM | NM | NM | NM |
| Total EBITDA Growth | 19.3% | 19.3% | 10.3% | 17.3% | 13.4% | 16.6% | 14.8% | 8.5% |
| EBITDA Growth (excl. Japan/Other) | 21.1% | 25.5% | 13.4% | 20.1% | 13.2% | 15.9% | 14.3% | 11.4% |

E= Morgan Stanley Research Estimates

Broadband Cable Television – April 5, 2002

Please see the important disclosures at the end of this report.

Exhibit 131

Comcast Corporation
QVC Operating Model, 2000-2006E

| (\$ Millions) | 2000 | 2001 | 2002E | 2003E | 2004E | 2005E | 2006E |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Revenues | | | | | | | |
| Domestic | \$3,050.8 | \$3,373.1 | \$3,746.2 | \$4,120.9 | \$4,513.1 | \$4,929.2 | \$5,371.7 |
| United Kingdom | 300.8 | 271.7 | 301.2 | 328.6 | 350.1 | 369.9 | 392.4 |
| Germany | 137.6 | 197.8 | 225.8 | 262.7 | 297.8 | 331.4 | 362.2 |
| Japan/Other | 46.7 | 74.7 | 84.4 | 94.4 | 104.5 | 114.5 | 124.3 |
| Total Revenue | \$3,535.9 | \$3,917.3 | \$4,357.6 | \$4,806.7 | \$5,265.4 | \$5,745.1 | \$6,250.6 |
| Revenue Breakdown | | | | | | | |
| Domestic | 86.3% | 86.1% | 86.0% | 85.7% | 85.7% | 85.8% | 85.9% |
| United Kingdom | 8.5% | 6.9% | 6.9% | 6.8% | 6.6% | 6.4% | 6.3% |
| Germany | 3.9% | 5.0% | 5.2% | 5.5% | 5.7% | 5.8% | 5.8% |
| Japan/Other | 1.3% | 1.9% | 1.9% | 2.0% | 2.0% | 2.0% | 2.0% |
| Total Revenue | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Revenue Growth | | | | | | | |
| Domestic | 13.2% | 10.6% | 11.1% | 10.0% | 9.5% | 9.2% | 9.0% |
| United Kingdom | -8.2% | -9.7% | 10.9% | 9.1% | 6.5% | 5.7% | 6.1% |
| Germany | 34.8% | 43.8% | 14.1% | 16.4% | 13.3% | 11.3% | 9.3% |
| Japan/Other | 10.7% | 60.0% | 13.0% | 11.8% | 10.7% | 9.6% | 8.5% |
| Total Revenue | 11.6% | 10.8% | 11.2% | 10.3% | 9.5% | 9.1% | 8.8% |
| Gross Profit | | | | | | | |
| Domestic | \$1,081.8 | \$1,214.8 | \$1,346.1 | \$1,480.8 | \$1,621.7 | \$1,753.5 | \$1,891.8 |
| United Kingdom | 104.7 | 97.5 | 113.5 | 123.9 | 132.0 | 139.4 | 147.9 |
| Germany | 41.1 | 59.2 | 71.4 | 92.5 | 104.8 | 116.7 | 127.5 |
| Japan/Other | 20.8 | 31.4 | 35.5 | 39.7 | 43.9 | 48.1 | 52.2 |
| Total Gross Margins | \$1,248.3 | \$1,402.9 | \$1,566.5 | \$1,736.8 | \$1,902.4 | \$2,057.7 | \$2,219.4 |
| Operating Cash Flow | | | | | | | |
| Domestic | \$612.4 | \$726.4 | \$816.8 | \$902.3 | \$991.4 | \$1,070.0 | \$1,151.7 |
| United Kingdom | 20.2 | 25.1 | 34.4 | 39.0 | 42.9 | 47.6 | 53.0 |
| Germany | (12.0) | (7.0) | (6.3) | 13.2 | 23.6 | 34.1 | 44.3 |
| Japan/Other | (1.4) | (22.2) | (30.0) | (19.3) | (12.0) | 9.2 | 11.8 |
| Total Operating Cash Flow | \$619.2 | \$722.3 | \$814.8 | \$935.3 | \$1,045.8 | \$1,160.9 | \$1,260.8 |
| EBITDA Margins | | | | | | | |
| Domestic | 20.1% | 21.5% | 21.8% | 21.9% | 22.0% | 21.7% | 21.4% |
| United Kingdom | 6.7% | 9.2% | 11.4% | 11.9% | 12.3% | 12.9% | 13.5% |
| Germany | -8.7% | -3.5% | -2.8% | 5.0% | 7.9% | 10.3% | 12.2% |
| Japan/Other | -3.0% | -29.7% | -35.6% | -20.5% | -11.5% | 8.0% | 9.5% |
| Total EBITDA Margins | 17.5% | 18.4% | 18.7% | 19.5% | 19.9% | 20.2% | 20.2% |
| EBITDA Growth | | | | | | | |
| Domestic | 19.5% | 18.6% | 12.4% | 10.5% | 9.9% | 7.9% | 7.6% |
| United Kingdom | -51.7% | 24.3% | 36.9% | 13.4% | 10.1% | 11.0% | 11.2% |
| Germany | NA | NA | NA | NA | 78.2% | 44.7% | 29.9% |
| Japan/Other | NA | NA | NA | NA | NA | 8.0% | 9.5% |
| Total EBITDA Growth | 14.8% | 16.7% | 12.8% | 14.8% | 11.8% | 11.0% | 8.6% |
| EBITDA Growth (excl. Japan/Other) | 16.0% | 20.0% | 13.5% | 13.0% | 10.8% | 8.9% | 8.4% |

E = Morgan Stanley Research Estimates

Broadband Cable Television - April 5, 2002

Please see the important disclosures at the end of this report.